

COMPACT OF FREE ASSOCIATION AMENDMENTS ACT OF 2003

MARKUP

BEFORE THE
SUBCOMMITTEE ON ASIA AND THE PACIFIC
OF THE

COMMITTEE ON
INTERNATIONAL RELATIONS
HOUSE OF REPRESENTATIVES

ONE HUNDRED EIGHTH CONGRESS

FIRST SESSION

ON

H.J. Res. 63

JULY 18, 2003

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COMPACT OF FREE ASSOCIATION AMENDMENTS ACT OF 2003

FRIDAY, JULY 18, 2003

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON ASIA AND THE PACIFIC,
COMMITTEE ON INTERNATIONAL RELATIONS,
Washington, DC.

The Subcommittee met, pursuant to call, at 10:08 a.m. in Room 2172, Rayburn House Office Building, Hon. James A. Leach [Chairman of the Subcommittee] presiding.

Mr. LEACH. The Committee will come to order. The Chair notes the presence of a working quorum.

Pursuant to notice, I call up the resolution H.J. Res. 63 to approve the Compact of Free Association as amended between the Government of the United States of America and the government of the Federated States of Micronesia and the Compact of Free Association as amended between the Government of the United States of America and the government of the Republic of the Marshall Islands for purposes of a markup.

Without objection, the resolution will be considered as read and open for amendment at any point.

And at this point, I would like to make several comments and ask if other Members may have comments.

As my colleagues are aware, the economic assistance provisions of the current Compact of Free Association expired in 2001, but were extended for 2 years while the U.S. renegotiated the expired provisions with the Freely Associated States. However, these negotiations were only completed late this spring, leaving Congress little time to act before the authorities expire on September 30. Hence, the need for expeditious action by this legislation.

In this regard, the Subcommittee held a hearing on the newly renegotiated compacts on June 18th, receiving extensive testimony from the Departments of State and Interior, as well as the General Accounting Office. In addition, we received testimony for the record from the governments of the FSM and RMI.

As Members are aware, the United States has shared a uniquely close and mutually beneficial relationship with the peoples of Micronesia and the Marshall Islands for the past half century. For nearly 40 years after the Second World War, the U.S. administered both islands as United Nations Trust Territories. In 1986, Micronesia and the Marshall Islands chose to become sovereign states and entered into a Compact of Free Association with the United States. The compact was intended to ensure self government for the new island nations to assist them in their economic develop-

ment toward self-sufficiency and to advance mutual security objectives.

It is my strong view that the interests of the peoples of the United States and these Pacific Islands have been well served by the compact. Our former trust territories have emerged as sovereign democracies and America's strategic interest in the western Pacific has been protected and the bonds of friendship forged during World War II have strengthened with the passage of time.

The passage of time, however has revealed a number of deficiencies in the first compact particularly concerning management of funds, planning, and oversight. Fortunately, however, drawing on the work of the Subcommittee under the leadership of our former Chairman, Doug Bereuter, and the expertise of the GAO the new agreement completely redesigns the way the compact funds are used and thereby strengthens these agreements.

Here I would like to draw the Subcommittee's attention to the impressive new accountability provisions of the amended compacts. According to GAO, the amended compacts include enhanced reporting and monitoring measures that should substantially improve accountability if fully implemented. For example, assistance under the amended compacts will be provided through grants targeted to priority areas including health and education with specific terms and conditions attached. The annual reporting and consultation requirements will be expanded and funds could be withheld for non-compliance with compact terms and conditions.

More broadly, the amended Compacts of Free Association with the FSM and RMI to renew expiring assistance would require about \$3.5 billion in funding over the next 20 years with a larger amount being possible if the United States exercises its options to extend military use rights on Kwajalein Atoll. The amended compacts would provide decreasing levels of assistance over a 20-year period in order to encourage fiscal self-reliance. At the same time, the compacts will require the capitalization of a trust fund for each country to generate annual interest earnings that would replace U.S. grant assistance in 2023.

The amended compacts and related agreements address other key issues. They preserve the United States "defense veto" and assure continued United States military access to Kwajalein Atoll defense sites until at least 2066 and possibly to 2086 at the United States option. The amended compact also strengthens one key additional area, immigration, by adding new restrictions and clarifying the applicability of the Immigration and Nationality Act to compact migrants.

The amended compacts are complex and should be generally supportable by Congress. There are, however, at least two potential areas of continuing concern: The proposed termination of FEMA's role in providing disaster assistance under the amended compacts and the future of educational assistance, such as Pell grants, provided to the FAS outside of the compact and its related agreements. Here I would like to inform Members that all of the relevant authorizing Committees are working together with the Administration to talk through these issues on a timely basis. I am hopeful that further clarification of several of these questions may be possible by the time the full legislation is considered by the

House and possibly even by the time of the Committee markup next week.

I would like to also notice Members that I will be offering an amendment in the nature of a substitute which corrects several drafting errors and makes other technical corrections to the legislation. A list of proposed changes has been circulated to the membership.

I understand that due to a conflicts, our distinguished Ranking Member will not be with us this morning, but will be with us when the Full Committee meets next week.

[The prepared statement of Mr. Leach follows:]

PREPARED STATEMENT OF THE HONORABLE JAMES A. LEACH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF IOWA, AND CHAIRMAN, SUBCOMMITTEE ON ASIA AND THE PACIFIC

The Subcommittee will come to order. Pursuant to notice we have before us today two measures for consideration by the Subcommittee: House Joint Resolution 63, to approve the Compacts of Free Association, as amended, with the Federated States of Micronesia (FSM) and the Republic of the Marshall Islands (RMI).

As my colleagues are aware, the economic assistance provisions of the current Compact of Free Association expired in 2001, but were extended for two years while the U.S. renegotiated the expiring provisions with the Freely Associated States. However, those negotiations were only completed late this Spring, leaving Congress with little time to act before those authorities expire on September 30. Hence the need for expeditious action by this legislation.

In this regard, the Subcommittee held a hearing on the newly renegotiated Compacts on June 18, receiving extensive testimony from the Departments of State and Interior, as well as the General Accounting Office. In addition, we received testimony for the record from the governments of the FSM and RMI.

The U.S. has shared a uniquely close and mutually beneficial relationship with the peoples of Micronesia and the Marshall Islands for the past half-century. For nearly forty years after the Second World War, the U.S. administered both islands as United Nations Trust Territories. In 1986, Micronesia and the Marshall Islands chose to become sovereign states and entered into a Compact of Free Association with the United States. The compact was intended to ensure self-government for the new island nations, to assist them in their economic development toward self-sufficiency and to advance mutual security objectives.

It is my strong view that the interests of the peoples of the U.S. and these Pacific islands have been well-served by the Compact. Our former trust territories have emerged as sovereign democracies; America's strategic interests in the Western Pacific have been protected; and the bonds of friendship forged during World War Two have only strengthened with the passage of time.

The passage of time, however, has revealed a number of deficiencies in the first Compact, particularly concerning management of funds, planning, and oversight. Fortunately, however, drawing on the work of this Subcommittee under the leadership of our former Chairman Doug Bereuter and the expertise of the General Accounting Office, the new agreement completely redesigns the way Compact funds are used and thereby significantly strengthens these agreements.

Here I would like to draw the Subcommittee's attention to the impressive new accountability provisions of the amended Compacts. According to the GAO, the amended Compacts include enhanced reporting and monitoring measures that should substantially improve accountability if fully implemented. For example, assistance under the amended Compacts will be provided through grants targeted to priority areas, including health and education, with specific terms and conditions attached. Annual reporting and consultation requirements will be expanded and funds could be withheld for noncompliance with Compact terms and conditions.

More broadly, the amended Compacts of Free Association with the FSM and RMI to renew expiring assistance would require about \$3.5 billion in funding over the next 20 years, with a larger amount being possible if the U.S. exercises its option to extend military use rights on Kwajalein Atoll. The amended Compacts would provide decreasing levels of annual assistance over a 20-year term (2004–2023) in order to encourage fiscal self-reliance. At the same time, the Compacts would require the capitalization of a trust fund for each country to generate annual interest earnings that would replace U.S. grant assistance in 2023.

The amended Compacts and related agreements address other key issues. They preserve the U.S. "defense veto" and assure continued U.S. military access to Kwajalein Atoll defense sites until at least 2066, and possibly to 2086 at the U.S. option. The amended Compact also strengthens one key additional area, immigration, by adding new restrictions and clarifying the applicability of the Immigration and Nationality Act to Compact migrants.

The amended Compacts are complex and should be generally supportable by Congress. There are, however, two potential areas of concern that the Committee may want to address further or clarify as the legislation advances: the proposed termination of FEMA's role in providing disaster assistance under the amended Compacts, and the future of educational assistance, such as Pell Grants, provided to the FAS outside of the Compact and its related agreements. Here I would like to inform Members that all of the relevant authorizing Committees are working together with the Administration to talk through these issues on a timely basis. I am hopeful that further clarification on several of these questions may be possible by the time this legislation is considered by the full House and possibly even by the time of the Committee markup next week.

I would also like to notice Members that I will be offering an amendment in the nature of a substitute which corrects drafting errors and makes other technical corrections to the legislation. A list of proposed changes has been circulated to all Members.

I understand that due to a conflict our distinguished Ranking Member is unable to attend the markup today, so let me turn to Ms. Watson for any comments she might wish to make.

Mr. LEACH. Ms. Watson, do you have a statement you wish to make? Mr. Blumenauer? Mr. Bereuter?

Ms. WATSON. Mr. Chairman, I want to thank you very much. I look forward to this markup that will further the United States relationships with the Freely Associated States. I have a personal interest in this particular program and this agreement. As you know, I served for 2 years as a United States Ambassador to the FSM because of our President, President Clinton at the time, giving me the privilege to represent the American people in the Federated States of Micronesia.

I am pleased and honored to be able to fill in for Representative Faleomavaega and in his absence. The significance of the region to America dates back to pre-World War II. The location of these two countries in the Pacific Ocean is of strategic importance to the United States, therefore, the first compact of free association came about.

Over the last 17 years, the relationship between the FSM, the RMI, and the U.S.A. has experienced growing pains, but the overall result is very positive. As we reauthorize the Compact of Free Association this year, 2003, we seek to be the FAS's friend and teacher whose goal is to assist the FAS to become fiscally solvent and economically independent.

Second, we have to assist in the islands's greatest commodity and that is its education for its people. Financial accountability is the issue that bureaucrats look at for justification to cut or curtail support for the FAS. Many of the official discussions that I have had with the FSM government was centered around this subject. The lessons learned over the past compact do not warrant any financial punishment. But we have learned as much about this unique compact arrangement as the FSM and the RMI learned about establishing their respective governments.

I understand that our proposals sufficiently address the GAO's past recommendations regarding increased accountability. I look to this Subcommittee's leadership and diligence to address the GAO's

concerns that the trust fund provisions will not support the FSM after the compact expires.

On the issue of education, I am deeply concerned by a message sent by this Congress to the FAS. The recent elimination of the IDEA and Head Start assistance, couple with the threatened Pell grant eligibility next year could cripple the ability to cultivate the educational programs throughout these nations.

Again, under the guidance of Chairman Leach, I understand that these concerns are a top priority of this Subcommittee. In conclusion, I am pleased with the overall progress of the new compact of free association. With a few minor adjustments such as a reinstatement of FEMA assistance, this Congress can produce a compact that I think we can all be pleased with and proud of.

And I want to urge my colleague to heed the September deadline of the existing compact. A lapsed general appropriation would not be beneficial for either the FAS or the United States of America. I also urge my colleagues to understand the importance of our relationship with the FAS. This unique relationship is entrusted to the International Relations Committee. It is an opportunity to make a significant foreign policy decision that will affect America and its relationship to these nations for years to come. And so I am very pleased to be part of this, Chairman Leach, and I yield back the balance of my time.

Mr. LEACH. Thank you very much Ms. Watson.

Mr. Bereuter.

Mr. BEREUTER. Thank you, Mr. Chairman. I commend you for your work and that of the Committee and the Ranking Member. I have not, I must admit, had much time to pay attention to this issue in the last couple of years. But I have great confidence in your ability to have looked at this and to make the right recommendations and to give us the right legislation.

I am particularly concerned about the accountability provisions. I trust we have as strong accountability provisions as possible and that the work that we did with the GAO has been taken into account. I know that you have made a special effort in that respect.

I raise these concerns because as a Member of the then-Interior Committee, I visited the Federated States of Micronesia, the Marshall Islands, the various islands of the Palau group and the Northern Marianas. I was appalled in many ways with what we saw in the way that the United States Government was delivering assistance and the way that it was being used.

I recall, for example, that many of the buildings that were fairly new had been built of a design which was really inappropriate for the tropics. In fact, some of the buildings built by the Japanese before World War II were much more usable even in the early 1980s. I saw a great misuse of funds in many places but particularly the Marshall Islands. Unfortunately, it meant that many people who deserved to receive assistance did not receive it.

I also must say that a good share of the problem was from what I would call "business pirates" or charlatans from Asia, Europe, and other places who preyed on the people of these islands and the kind of contracts that were signed particularly in the area of energy. I am particularly pleased to hear that we have addressed a number of issues related to immigration, which I know was a con-

cern to Guam and to the Marianas, and I trust we are going to keep a very close eye on this situation and report our legislation as forthrightly as we can, and as suggested, in a timely fashion.

So I thank you for hearing me on these comments.

Ms. WATSON. Mr. Chairman?

Mr. BEREUTER. I would be pleased to yield.

Ms. WATSON. I want to thank Congressman Bereuter, I watched very closely to the GAO report when I was in Micronesia and I looked at questions that were raised by the Committee when you were chairing the Subcommittee, and I raised those questions with the members of the Administration to give them guidance and some direction as to what the United States Congress would be looking for in terms of accountability. And I was very impressed with the sensitivity shown by yourself and I think Congressman Royce, I remember his comments and the fact that you went.

Mr. BEREUTER. And Mr. Faleomavaega.

Ms. WATSON. And Mr. Faleomavaega. And the fact that you did go. I urged the State Department to send people out to take a look and the various people that came out from our different agencies to actually see for themselves what some of the problems were so that we could correct as we went along in preparation for renewing and extending the compact. So I just wanted to add that and thank you very much for your concern, your buy-in and your visit.

Mr. BEREUTER. Thank you very much. And thank you for your constructive leadership role that you pursued in your previous responsibilities.

Ms. WATSON. Thank you.

Mr. BEREUTER. Mr. Chairman, I yield back.

Mr. LEACH. Does anybody else wish to make an opening statement?

If not, I have an amendment in the nature a substitute at desk which without objection will be considered as read.

[The information referred to follows:]

AMENDMENT TO H.J. RES. 63
OFFERED BY MR. LEACH

Strike all after the resolving clause and insert the following:

1 SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

2 (a) SHORT TITLE.—This joint resolution, together
 3 with the Table of Contents in subsection (b) of this sec-
 4 tion, may be cited as the “Compact of Free Association
 5 Amendments Act of 2003”.

6 (b) TABLE OF CONTENTS.—The table of contents for
 7 this joint resolution is as follows:

TITLE I—APPROVAL OF U.S.-FSM COMPACT AND U.S.-RMI COM-
 PACT; INTERPRETATION OF, AND UNITED STATES POLICIES
 REGARDING, U.S.-FSM COMPACT AND U.S.-RMI COMPACT; SUP-
 PLEMENTAL PROVISIONS

Sec. 101. Approval of U.S.-FSM Compact of Free Association and U.S.-RMI
 Compact of Free Association.

- (a) Federated States of Micronesia.
- (b) Republic of the Marshall Islands.
- (c) References to the Compact, the U.S.-FSM Compact and the
 U.S.-RMI Compact.
- (d) Amendment, Change, or Termination in the U.S.-FSM
 Compact, the U.S.-RMI Compact and Certain Agreements.
- (e) Subsidiary Agreement Deemed Bilateral.
- (f) Entry Into Force of Future Amendments to Subsidiary
 Agreements.

Sec. 102. Agreements With Federated States of Micronesia.

- (a) Law Enforcement Assistance.
- (b) Agreement on Audits.

Sec. 103. Agreements With and Other Provisions Related to the Republic of the
 Marshall Islands.

- (a) Law Enforcement Assistance.
- (b) EJIT.
- (c) Section 177 Agreement.
- (d) Nuclear Test Effects.
- (e) Espousal Provisions.
- (f) DOE Radiological Health Care Program; USDA Agricultural and Food Programs.
- (g) Rongelap.
- (h) Four Atoll Health Care Program.
- (i) Enjebi Community Trust Fund.
- (j) Bikini Atoll Cleanup.
- (k) Agreement on Audits.
- Sec. 104. Interpretation of and United States Policy Regarding U.S.-FSM Compact and U.S.-RMI Compact.
 - (a) Human Rights.
 - (b) Immigration and Passport Security.
 - (c) Nonalienation of Lands.
 - (d) Nuclear Waste Disposal.
 - (e) Effect of U.S.-FSM Compact and U.S.-RMI Compact on U.S. Areas; Related Authorization and Continuing Appropriation.
 - (f) Foreign Loans.
- Sec. 105. Supplemental Provisions.
 - (a) Domestic Program Requirements.
 - (b) Relations With the Federated States of Micronesia and the Republic of the Marshall Islands.
 - (c) Continuing Trust Territory Authorization.
 - (d) Survivability.
 - (e) Noncompliance Sanctions.
 - (f) Continuing Programs and Laws.
 - (g) College of Micronesia.
 - (h) Trust Territory Debts to U.S. Federal Agencies.
 - (i) Use of DOD Medical Facilities.
 - (j) Technical Assistance.
 - (k) Prior Service Benefits Program.
 - (l) Indefinite Land Use Payments.
 - (m) Communicable Disease Control Program.
 - (n) User Fees.
 - (o) Treatment of Judgments of Courts of the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.
- Sec. 106. Construction Contract Assistance.
 - (a) Assistance to U.S. Firms.
 - (b) Authorization of Appropriations.
- Sec. 107. Limitations.
 - Prohibition.
- Sec. 108. Compensatory Adjustments.
 - (a) Additional Programs and Services.
 - (b) Further Amounts.
- Sec. 109. Authorization and Continuing Appropriation.
- Sec. 110. Payment of Citizens of the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau Employed by the Government of the United States in the Continental United States.

TITLE II—COMPACTS OF FREE ASSOCIATION WITH THE FEDERATED STATES OF MICRONESIA AND THE REPUBLIC OF THE MARSHALL ISLANDS

Sec. 201. Compacts of Free Association, as Amended.

- (a) Compact of Free Association as amended between the Government of the United States of America and the Government of the Federated States of Micronesia.

Title One—Governmental Relations

- Article I—Self-Government.
 Article II—Foreign Affairs.
 Article III—Communications.
 Article IV—Immigration.
 Article V—Representation.
 Article VI—Environmental Protection.
 Article VII—General Legal Provisions.

Title Two—Economic Relations

- Article I—Grant Assistance.
 Article II—Services and Program Assistance.
 Article III—Administrative Provisions.
 Article IV—Trade.
 Article V—Finance and Taxation.

Title Three—Security and Defense Relations

- Article I—Authority and Responsibility.
 Article II—Defense Facilities and Operating Rights.
 Article III—Defense Treaties and International Security Agreements.
 Article IV—Service in Armed Forces of the United States.
 Article V—General Provisions.

Title Four—General Provisions

- Article I—Approval and Effective Date.
 Article II—Conference and Dispute Resolution.
 Article III—Amendment.
 Article IV—Termination.
 Article V—Survivability.
 Article VI—Definition of Terms.
 Article VII—Concluding Provisions.

- (b) Compact of Free Association as amended between the Government of the United States of America and the Government of the Republic of the Marshall Islands.

Title One—Governmental Relations

Article I—Self-Government.
Article II—Foreign Affairs.
Article III—Communications.
Article IV—Immigration.
Article V—Representation.
Article VI—Environmental Protection.
Article VII—General Legal Provisions.

Title Two—Economic Relations

Article I—Grant Assistance.
Article II—Services and Program Assistance.
Article III—Administrative Provisions.
Article IV—Trade.
Article V—Finance and Taxation.

Title Three—Security and Defense Relations

Article I—Authority and Responsibility.
Article II—Defense Facilities and Operating Rights.
Article III—Defense Treaties and International Security Agreements.
Article IV—Service in Armed Forces of the United States.
Article V—General Provisions.

Title Four—General Provisions

Article I—Approval and Effective Date.
Article II—Conference and Dispute Resolution.
Article III—Amendment.
Article IV—Termination.
Article V—Survivability.
Article VI—Definition of Terms.
Article VII—Concluding Provisions.

1 **TITLE I—APPROVAL OF U.S.-FSM**
2 **COMPACT AND U.S.-RMI COM-**
3 **PACT; INTERPRETATION OF,**
4 **AND U.S. POLICIES REGARD-**
5 **ING, U.S.-FSM COMPACT AND**
6 **U.S.-RMI COMPACT; SUPPLE-**
7 **MENTAL PROVISIONS**

8 **SEC. 101. APPROVAL OF U.S.-FSM COMPACT OF FREE ASSO-**
9 **CIATION AND THE U.S.-RMI COMPACT OF**
10 **FREE ASSOCIATION; REFERENCES TO SUB-**
11 **SIDIARY AGREEMENTS OR SEPARATE AGREE-**
12 **MENTS.**

13 (a) FEDERATED STATES OF MICRONESIA.—The
14 Compact of Free Association, as amended with respect to
15 the Federated States of Micronesia and signed by the
16 United States and the Government of the Federated
17 States of Micronesia and set forth in Title II (section
18 201(a)) of this joint resolution, is hereby approved, and
19 Congress hereby consents to the subsidiary agreements
20 and amended subsidiary agreements listed in section 462
21 of the U.S.-FSM Compact. Subject to the provisions of

1 this joint resolution, the President is authorized to agree,
2 in accordance with section 411 of the U.S.-FSM Compact,
3 to an effective date for and thereafter to implement such
4 U.S.-FSM Compact.

5 (b) REPUBLIC OF THE MARSHALL ISLANDS.—The
6 Compact of Free Association, as amended with respect to
7 the Republic of the Marshall Islands and signed by the
8 United States and the Government of the Republic of the
9 Marshall Islands and set forth in Title II (section 201(b))
10 of this joint resolution, is hereby approved, and Congress
11 hereby consents to the subsidiary agreements and amend-
12 ed subsidiary agreements listed in section 462 of the U.S.-
13 RMI Compact. Subject to the provisions of this joint reso-
14 lution, the President is authorized to agree, in accordance
15 with section 411 of the U.S.-RMI Compact, to an effective
16 date for and thereafter to implement such U.S.-RMI Com-
17 pact.

18 (c) REFERENCES TO THE COMPACT, THE U.S.-FSM
19 COMPACT, AND THE U.S.-RMI COMPACT; REFERENCES
20 TO SUBSIDIARY AGREEMENTS OR SEPARATE AGREE-
21 MENTS.—

22 (1) Any reference in this joint resolution (ex-
23 cept references in Title II) to “the Compact” shall
24 be treated as a reference to the Compact of Free As-
25 sociation set forth in title II of Public Law 99–239,

1 January 14, 1986, 99 Stat. 1770. Any reference in
2 this joint resolution to the “U.S.-FSM Compact”
3 shall be treated as a reference to the Compact of
4 Free Association, as amended between the Govern-
5 ment of the United States of America and the Gov-
6 ernment of the Federated States of Micronesia and
7 set forth in Title II (section 201(a)) of this joint res-
8 olution. Any reference in this joint resolution to the
9 “U.S.-RMI Compact” shall be treated as a reference
10 to the Compact of Free Association, as amended be-
11 tween the Government of the United States of
12 America and the Government of the Republic of the
13 Marshall Islands and set forth in Title II (section
14 201(b)) of this joint resolution.

15 (2) Any reference to the term “subsidiary
16 agreements” or “separate agreements” in this joint
17 resolution shall be treated as a reference to agree-
18 ments listed in section 462 of the U.S.-FSM Com-
19 pact and the U.S.-RMI Compact, and any other
20 agreements that the United States may from time to
21 time enter into with either the government of the
22 Federated States of Micronesia or the government of
23 the Republic of the Marshall Islands, or with both
24 such governments in accordance with the provisions

1 of the U.S.-FSM Compact and the U.S.-RMI Com-
2 pact.

3 (d) AMENDMENT, CHANGE, OR TERMINATION IN THE
4 U.S.-FSM COMPACT AND U.S.-RMI COMPACT AND CER-
5 TAIN AGREEMENTS.—

6 (1) Any amendment, change, or termination by
7 mutual agreement or by unilateral action of the Gov-
8 ernment of the United States of all or any part of
9 the U.S.-FSM Compact or U.S.-RMI Compact shall
10 not enter into force until after Congress has incor-
11 porated it in an Act of Congress.

12 (2) The provisions of paragraph (1) shall
13 apply—

14 (A) to all actions of the Government of the
15 United States under the U.S.-FSM Compact or
16 U.S.-RMI Compact including, but not limited
17 to, actions taken pursuant to sections 431, 441,
18 or 442;

19 (B) to any amendment, change, or termi-
20 nation in the Agreement Between the Govern-
21 ment of the United States and the Government
22 of the Federated States of Micronesia Regard-
23 ing Friendship, Cooperation and Mutual Secu-
24 rity Concluded Pursuant to Sections 321 and
25 323 of the Compact of Free Association re-

1 ferred to in section 462(a)(2) of the U.S.-FSM
2 Compact and the Agreement Between the Gov-
3 ernment of the United States and the Govern-
4 ment of the Marshall Islands Regarding Mutual
5 Security Concluded Pursuant to Sections 321
6 and 323 of the Compact of Free Association re-
7 ferred to in section 462(a)(5) of the U.S.-RMI
8 Compact;

9 (C) to any amendment, change, or termi-
10 nation of the agreements concluded pursuant to
11 Compact section 177, and section 215(a) of the
12 U.S.-FSM Compact and section 216(a) of the
13 U.S.-RMI Compact, the terms of which are in-
14 corporated by reference into the U.S.-FSM
15 Compact and the U.S.-RMI Compact; and

16 (D) to the following subsidiary agreements,
17 or portions thereof: Articles III, IV and X of
18 the agreement referred to in section 462(b)(6)
19 of the U.S.-RMI Compact:

20 (i) Article III and IV of the agree-
21 ment referred to in section 462(b)(6) of
22 the U.S.-FSM Compact.

23 (ii) Articles VI, XV, and XVII of the
24 agreement referred to in section 462(b)(7)

1 of the U.S.-FSM Compact and U.S.-RMI
2 Compact.

3 (e) SUBSIDIARY AGREEMENTS DEEMED BILAT-
4 ERAL.—For purposes of implementation of the U.S.-FSM
5 Compact and the U.S.-RMI Compact and this joint resolu-
6 tion, the Agreement Concluded Pursuant to Section 234
7 of the Compact of Free Association and referred to in sec-
8 tion 462(a)(1) of the U.S.-FSM Compact and section
9 462(a)(4) of the U.S.-RMI Compact shall be deemed to
10 be a bilateral agreement between the United States and
11 each other party to such subsidiary agreement. The con-
12 sent or concurrence of any other party shall not be re-
13 quired for the effectiveness of any actions taken by the
14 United States in conjunction with either the Federated
15 States of Micronesia or the Republic of the Marshall Is-
16 lands which are intended to affect the implementation,
17 modification, suspension, or termination of such sub-
18 sidiary agreement (or any provision thereof) as regards
19 the mutual responsibilities of the United States and the
20 party in conjunction with whom the actions are taken.

21 (f) ENTRY INTO FORCE OF FUTURE AMENDMENTS
22 TO SUBSIDIARY AGREEMENTS.—No agreement between
23 the United States and the government of either the Fed-
24 erated States of Micronesia or the Republic of the Mar-
25 shall Islands which would amend, change, or terminate

1 any subsidiary agreement or portion thereof, other than
2 those set forth in subsection (d) of this section shall enter
3 into force until after the President has transmitted such
4 agreement to the President of the Senate and the Speaker
5 of the House of Representatives together with an expla-
6 nation of the agreement and the reasons therefor. In the
7 case of the agreement referred to in section 462(b)(3) of
8 the U.S.-FSM Compact and the U.S.-RMI Compact, such
9 transmittal shall include a specific statement by the Sec-
10 retary of Labor as to the necessity of such amendment,
11 change, or termination, and the impact thereof.

12 **SEC. 102. AGREEMENTS WITH FEDERATED STATES OF MI-**
13 **CRONESIA.**

14 (a) LAW ENFORCEMENT ASSISTANCE.—

15 (1) TECHNICAL AND TRAINING ASSISTANCE.—

16 Pursuant to sections 222 and 224 of the U.S.-FSM
17 Compact, the United States shall provide non-reim-
18 bursable technical and training assistance as appro-
19 priate, including training and equipment for postal
20 inspection of illicit drugs and other contraband, to
21 enable the Government of the Federated States of
22 Micronesia to develop and adequately enforce laws of
23 the Federated States of Micronesia and to cooperate
24 with the United States in the enforcement of crimi-
25 nal laws of the United States. Funds appropriated

1 pursuant to section 105(j) of this title may be used
2 to reimburse State or local agencies providing such
3 assistance.

4 (b) AGREEMENT ON AUDITS.—The Comptroller Gen-
5 eral (and his duly authorized representatives) shall have
6 the authorities necessary to carry out his responsibilities
7 under section 232 of the U.S.-FSM Compact and the
8 agreement referred to in section 462(b)(4) of the U.S.-
9 FSM Compact, including the following authorities:

10 (1) GENERAL AUTHORITY OF THE COMP-
11 TROLLER GENERAL TO AUDIT.—

12 (A) The Comptroller General of the United
13 States (and his duly authorized representatives)
14 shall have the authority to audit—

15 (i) all grants, program assistance, and
16 other assistance provided to the Govern-
17 ment of the Federated States of Micro-
18 nesia under Articles I and II of Title Two
19 of the U.S.-FSM Compact; and

20 (ii) any other assistance provided by
21 the Government of the United States to
22 the Government of the Federated States of
23 Micronesia.

24 Such authority shall include authority for the
25 Comptroller General to conduct or cause to be

1 conducted any of the audits provided for in sec-
2 tion 232 of the U.S.-FSM Compact. The au-
3 thority provided in this paragraph shall con-
4 tinue for at least three years after the last such
5 grant has been made or assistance has been
6 provided.

7 (B) The Comptroller General (and his duly
8 authorized representatives) shall also have au-
9 thority to review any audit conducted by or on
10 behalf of the Government of the United States.
11 In this connection, the Comptroller General
12 shall have access to such personnel and to such
13 records, documents, working papers, automated
14 data and files, and other information relevant
15 to such review.

16 (2) COMPTROLLER GENERAL ACCESS TO
17 RECORDS.—

18 (A) In carrying out paragraph (1), the
19 Comptroller General (and his duly authorized
20 representatives) shall have such access to the
21 personnel and (without cost) to records, docu-
22 ments, working papers, automated data and
23 files, and other information relevant to such au-
24 dits. The Comptroller General may duplicate
25 any such records, documents, working papers,

1 automated data and files, or other information
2 relevant to such audits.

3 (B) Such records, documents, working pa-
4 pers, automated data and files, and other infor-
5 mation regarding each such grant or other as-
6 sistance shall be maintained for at least three
7 years after the date such grant or assistance
8 was provided and in a manner that permits
9 such grants, assistance, and payments to be ac-
10 counted for distinct from any other funds of the
11 Government of the Federated States of Micro-
12 nesia.

13 (3) STATUS OF COMPTROLLER GENERAL REP-
14 RESENTATIVES.—The Comptroller General and his
15 duly authorized representatives shall be immune
16 from civil and criminal process relating to words
17 spoken or written and all acts performed by them in
18 their official capacity and falling within their func-
19 tions, except insofar as such immunity may be ex-
20 pressly waived by the Government of the United
21 States. The Comptroller General and his duly au-
22 thorized representatives shall not be liable to arrest
23 or detention pending trial, except in the case of a
24 grave crime and pursuant to a decision by a com-
25 petent judicial authority, and such persons shall

1 enjoy immunity from seizure of personal property,
2 immigration restrictions, and laws relating to alien
3 registration, fingerprinting, and the registration of
4 foreign agents. Such persons shall enjoy the same
5 taxation exemptions as are set forth in Article 34
6 of the Vienna Convention on Diplomatic Relations.
7 The privileges, exemptions and immunities accorded
8 under this paragraph are not for the personal ben-
9 efit of the individuals concerned but are to safeguard
10 the independent exercise of their official functions.
11 Without prejudice to those privileges, exemptions
12 and immunities, it is the duty of all such persons
13 to respect the laws and regulations of the Govern-
14 ment of the Federated States of Micronesia.

15 (4) AUDITS DEFINED.—As used in this sub-
16 section, the term “audits” includes financial, pro-
17 gram, and management audits, including
18 determining—

19 (A) whether the Government of the Fed-
20 erated States of Micronesia has met the re-
21 quirements set forth in the U.S.-FSM Compact,
22 or any related agreement entered into under the
23 U.S.-FSM Compact, regarding the purposes for
24 which such grants and other assistance are to
25 be used; and

1 (B) the propriety of the financial trans-
2 actions of the Government of the Federated
3 States of Micronesia pursuant to such grants or
4 assistance.

5 (5) COOPERATION BY FEDERATED STATES OF
6 MICRONESIA.—The Government of the Federated
7 States of Micronesia will cooperate fully with the
8 Comptroller General of the United States in the con-
9 duct of such audits as the Comptroller General de-
10 termines necessary to enable the Comptroller Gen-
11 eral to fully discharge his responsibilities under this
12 joint resolution.

13 **SEC. 103. AGREEMENTS WITH AND OTHER PROVISIONS RE-**
14 **LATED TO THE REPUBLIC OF THE MARSHALL**
15 **ISLANDS.**

16 (a) LAW ENFORCEMENT ASSISTANCE.—

17 (1) TECHNICAL AND TRAINING ASSISTANCE.—
18 Pursuant to sections 222 and 224 of the U.S.-RMI
19 Compact, the United States shall provide non-reim-
20 bursable technical and training assistance as appro-
21 priate, including training and equipment for postal
22 inspection of illicit drugs and other contraband, to
23 enable the Government of the Marshall Islands to
24 develop and adequately enforce laws of the Marshall
25 Islands and to cooperate with the United States in

1 the enforcement of criminal laws of the United
2 States. Funds appropriated pursuant to section
3 105(j) of this title may be used to reimburse State
4 or local agencies providing such assistance.

5 (b) EJIT.—

6 (1) In the joint resolution of January 14, 1986
7 (Public Law 99–239) Congress provided that the
8 President of the United States shall negotiate with
9 the Government of the Marshall Islands an agree-
10 ment whereby, without prejudice as to any claims
11 which have been or may be asserted by any party as
12 to rightful title and ownership of any lands on Ejit,
13 the Government of the Marshall Islands shall assure
14 that lands on Ejit used as of January 1, 1985, by
15 the people of Bikini, will continue to be available
16 without charge for their use, until such time as Bi-
17 kini is restored and inhabitable and the continued
18 use of Ejit is no longer necessary, unless a Marshall
19 Islands court of competent jurisdiction finally deter-
20 mines that there are legal impediments to continued
21 use of Ejit by the people of Bikini.

22 (2) In the joint resolution of January 14, 1986
23 (Public Law 99–239) Congress provided that if the
24 impediments described in paragraph (1) do arise,
25 the United States will cooperate with the Govern-

1 ment of the Marshall Islands in assisting any person
2 adversely affected by such judicial determination to
3 remain on Ejit, or in locating suitable and accept-
4 able alternative lands for such person's use.

5 (3) In the joint resolution of January 14, 1986
6 (Public Law 99-239) Congress provided that para-
7 graph (1) shall not be applied in a manner which
8 would prevent the Government of the Marshall Is-
9 lands from acting in accordance with its constitu-
10 tional processes to resolve title and ownership claims
11 with respect to such lands or from taking substitute
12 or additional measures to meet the needs of the peo-
13 ple of Bikini with their democratically expressed con-
14 sent and approval.

15 (4) The United States and the Republic of the
16 Marshall Islands entered into an agreement in fur-
17 therance of paragraphs (1) through (3) of this sub-
18 section on July 21, 1986. Nothing in this subsection
19 creates any rights or obligations beyond those pro-
20 vided for in the original enacted version of Public
21 Law 99-239.

22 (c) SECTION 177 AGREEMENT.—

23 (1) In the joint resolution of January 14, 1986
24 (Public Law 99-239) Congress provided that in fur-
25 therance of the purposes of Article I of the Sub-

1 subsidiary Agreement for Implementation of Section
2 177 of the Compact, the payment of the amount
3 specified therein shall be made by the United States
4 under Article I of the Agreement between the Gov-
5 ernment of the United States and the Government
6 of the Marshall Islands for the Implementation of
7 section 177 of the Compact (hereafter in this sub-
8 section referred to as the “Section 177 Agreement”)
9 only after the Government of the Marshall Islands
10 has notified the President of the United States as to
11 which investment management firm has been se-
12 lected by such Government to act as Fund Manager
13 under Article I of the Section 177 Agreement.

14 (2) In the joint resolution of January 14, 1986
15 (Public Law 99–239) Congress provided that in the
16 event that the President determines that an invest-
17 ment management firm selected by the Government
18 of the Marshall Islands does not meet the require-
19 ments specified in Article I of the Section 177
20 Agreement, the United States shall invoke the con-
21 ference and dispute resolution procedures of Article
22 II of Title Four of the Compact. Pending the resolu-
23 tion of such a dispute and until a qualified Fund
24 Manager has been designated, the Government of
25 the Marshall Islands shall place the funds paid by

1 the United States pursuant to Article I of the Sec-
2 tion 177 Agreement into an interest-bearing escrow
3 account. Upon designation of a qualified Fund Man-
4 ager, all funds in the escrow account shall be trans-
5 ferred to the control of such Fund Manager for
6 management pursuant to the Section 177 Agree-
7 ment.

8 (3) In the joint resolution of January 14, 1986
9 (Public Law 99-239) Congress provided that if the
10 Government of the Marshall Islands determines that
11 some other investment firm should act as Fund
12 Manager in place of the firm first (or subsequently)
13 selected by such Government, the Government of the
14 Marshall Islands shall so notify the President of the
15 United States, identifying the firm selected by such
16 Government to become Fund Manager, and the
17 President shall proceed to evaluate the qualifications
18 of such identified firm.

19 (4) In the joint resolution of January 14, 1986
20 (Public Law 99-239) Congress provided that at the
21 end of 15 years after the effective date of the Com-
22 pact, the firm then acting as Fund Manager shall
23 transfer to the Government of the Marshall Islands,
24 or to such account as such Government shall so no-
25 tify the Fund Manager, all remaining funds and as-

1 sets being managed by the Fund Manager under the
2 Section 177 Agreement.

3 (5) The United States made the payment called
4 for under paragraph (1) of this subsection in No-
5 vember 1986. Nothing in this subsection creates any
6 rights or obligations beyond those provided for in
7 the original enacted version of Public Law 99-239.

8 (d) NUCLEAR TEST EFFECTS.—In the joint resolu-
9 tion of January 14, 1986 (Public Law 99-239) Congress
10 provided that in approving the Compact, the Congress un-
11 derstands and intends that the peoples of Bikini,
12 Enewetak, Rongelap, and Utrik, who were affected by the
13 United States nuclear weapons testing program in the
14 Marshall Islands, will receive the amounts of \$75,000,000
15 (Bikini); \$48,750,000 (Enewetak); \$37,500,000
16 (Rongelap); and \$22,500,000 (Utrik), respectively, which
17 amounts shall be paid out of proceeds from the fund estab-
18 lished under Article I, section 1 of the subsidiary agree-
19 ment for the implementation of section 177 of the Com-
20 pact. The amounts specified in this subsection shall be in
21 addition to any amounts which may be awarded to claim-
22 ants pursuant to Article IV of the subsidiary agreement
23 for the implementation of Section 177 of the Compact.
24 Nothing in this subsection creates any rights or obliga-

1 tions beyond those provided for in the original enacted
2 version of Public Law 99–239.

3 (e) ESPOUSAL PROVISIONS.—

4 (1) In the joint resolution of January 14, 1986
5 (Public Law 99–239) Congress provided that it is
6 the intention of the Congress of the United States
7 that the provisions of section 177 of the Compact of
8 Free Association and the Agreement between the
9 Government of the United States and the Govern-
10 ment of the Marshall Islands for the Implementation
11 of Section 177 of the Compact (hereafter in this
12 subsection referred to as the “Section 177 Agree-
13 ment”) constitute a full and final settlement of all
14 claims described in Articles X and XI of the Section
15 177 Agreement, and that any such claims be termi-
16 nated and barred except insofar as provided for in
17 the Section 177 Agreement.

18 (2) In the joint resolution of January 14, 1986
19 (Public Law 99–239) Congress provided that in fur-
20 therance of the intention of Congress as stated in
21 paragraph (1) of this subsection, the Section 177
22 Agreement is hereby ratified and approved. It is the
23 explicit understanding and intent of Congress that
24 the jurisdictional limitations set forth in Article XII
25 of such Agreement are enacted solely and exclusively

1 to accomplish the objective of Article X of such
2 Agreement and only as a clarification of the effect
3 of Article X, and are not to be construed or imple-
4 mented separately from Article X.

5 (3) The amounts specified in paragraph (1) of
6 this subsection were paid as specified. Nothing in
7 this subsection creates any rights or obligations be-
8 yond those provided for in the original enacted
9 version of Public Law 99-239. The provisions of
10 section 177 of the Compact, section 177 of the U.S.-
11 FSM Compact, section 177 of the U.S.-RMI Com-
12 pact, and the Section 177 Agreement constitute a
13 full and final settlement of all claims described in
14 Articles X and XI of the Section 177 Agreement,
15 and any such claims are terminated and barred.

16 (f) DOE RADIOLOGICAL HEALTH CARE PROGRAM;
17 USDA AGRICULTURAL AND FOOD PROGRAMS.—

18 (1) MARSHALL ISLANDS PROGRAM.—Notwith-
19 standing any other provision of law, upon the re-
20 quest of the Government of the Republic of the Mar-
21 shall Islands, the President (either through an ap-
22 propriate department or agency of the United States
23 or by contract with a United States firm) shall con-
24 tinue to provide special medical care and logistical
25 support thereto for the remaining 118 (as of April

1 30, 2003) members of the population of Rongelap
2 and Utrik who were exposed to radiation resulting
3 from the 1954 United States thermo-nuclear
4 “Bravo” test, pursuant to Public Laws 95–134 and
5 96–205.

6 (2) AGRICULTURAL AND FOOD PROGRAMS.—In
7 the joint resolution of January 14, 1986 (Public
8 Law 99–239) Congress provided that notwith-
9 standing any other provision of law, upon the re-
10 quest of the Government of the Marshall Islands, for
11 the first fifteen years after the effective date of the
12 Compact, the President (either through an appro-
13 priate department or agency of the United States or
14 by contract with a United States firm or by a grant
15 to the Government of the Republic of the Marshall
16 Islands which may further contract only with a
17 United States firm or a Republic of the Marshall Is-
18 lands firm, the owners, officers and majority of the
19 employees of which are citizens of the United States
20 or the Republic of the Marshall Islands) shall pro-
21 vide technical and other assistance—

22 (A) without reimbursement, to continue
23 the planting and agricultural maintenance pro-
24 gram on Enewetak;

1 (B) without reimbursement, to continue
2 the food programs of the Bikini and Enewetak
3 people described in section 1(d) of Article II of
4 the Subsidiary Agreement for the Implementa-
5 tion of Section 177 of the Compact and for con-
6 tinued waterborne transportation of agricultural
7 products to Enewetak including operations and
8 maintenance of the vessel used for such pur-
9 poses.

10 The President shall ensure the assistance provided
11 under these programs reflects the changes in the
12 population since the inception of such programs.

13 (3) PAYMENTS.—In the joint resolution of Jan-
14 uary 14, 1986 (Public Law 99–239) Congress pro-
15 vided that payments under this subsection shall be
16 provided to such extent or in such amounts as are
17 necessary for services and other assistance provided
18 pursuant to this subsection. It is the sense of Con-
19 gress that after the periods of time specified in para-
20 graphs (1) and (2) of this subsection, consideration
21 will be given to such additional funding for these
22 programs as may be necessary. Nothing in this sub-
23 section creates any rights or obligations beyond
24 those provided for in the original enacted version of
25 Public Law 99–239.

1 (g) RONGELAP.—

2 (1) In the joint resolution of January 14, 1986
3 (Public Law 99-239) Congress provided that be-
4 cause Rongelap was directly affected by fallout from
5 a 1954 United States thermonuclear test and be-
6 cause the Rongelap people remain unconvinced that
7 it is safe to continue to live on Rongelap Island, it
8 is the intent of Congress to take such steps (if any)
9 as may be necessary to overcome the effects of such
10 fallout on the habitability of Rongelap Island, and to
11 restore Rongelap Island, if necessary, so that it can
12 be safely inhabited. Accordingly, it is the expectation
13 of the Congress that the Government of the Mar-
14 shall Islands shall use such portion of the funds
15 specified in Article II, section 1(e) of the subsidiary
16 agreement for the implementation of section 177 of
17 the Compact as are necessary for the purpose of
18 contracting with a qualified scientist or group of sci-
19 entists to review the data collected by the Depart-
20 ment of Energy relating to radiation levels and other
21 conditions on Rongelap Island resulting from the
22 thermonuclear test. It is the expectation of the Con-
23 gress that the Government of the Marshall Islands,
24 after consultation with the people of Rongelap, shall
25 select the party to review such data, and shall con-

1 tract for such review and for submission of a report
2 to the President of the United States and the Con-
3 gress as to the results thereof.

4 (2) In the joint resolution of January 14, 1986
5 (Public Law 99-239) Congress provided that the
6 purpose of the review referred to in paragraph (1)
7 of this subsection shall be to establish whether the
8 data cited in support of the conclusions as to the
9 habitability of Rongelap Island, as set forth in the
10 Department of Energy report entitled: "The Mean-
11 ing of Radiation for Those Atolls in the Northern
12 Part of the Marshall Islands That Were Surveyed in
13 1978", dated November 1982, are adequate and
14 whether such conclusions are fully supported by the
15 data. If the party reviewing the data concludes that
16 such conclusions as to habitability are fully sup-
17 ported by adequate data, the report to the President
18 of the United States and the Congress shall so state.
19 If the party reviewing the data concludes that the
20 data are inadequate to support such conclusions as
21 to habitability or that such conclusions as to habit-
22 ability are not fully supported by the data, the Gov-
23 ernment of the Marshall Islands shall contract with
24 an appropriate scientist or group of scientists to un-
25 dertake a complete survey of radiation and other ef-

1 fects of the nuclear testing program relating to the
2 habitability of Rongelap Island. Such sums as are
3 necessary for such survey and report concerning the
4 results thereof and as to steps needed to restore the
5 habitability of Rongelap Island are authorized to be
6 made available to the Government of the Marshall
7 Islands.

8 (3) In the joint resolution of January 14, 1986
9 (Public Law 99-239) Congress provided that it is
10 the intent of Congress that such steps (if any) as
11 are necessary to restore the habitability of Rongelap
12 Island and return the Rongelap people to their
13 homeland will be taken by the United States in con-
14 sultation with the Government of the Marshall Is-
15 lands and, in accordance with its authority under
16 the Constitution of the Marshall Islands, the
17 Rongelap local government council. Nothing in this
18 subsection creates any rights or obligations beyond
19 those provided for in the original enacted version of
20 Public Law 99-239.

21 (h) FOUR ATOLL HEALTH CARE PROGRAM.—

22 (1) In the joint resolution of January 14, 1986
23 (Public Law 99-239) Congress provided that serv-
24 ices provided by the United States Public Health
25 Service or any other United States agency pursuant

1 to section 1(a) of Article II of the Agreement for the
2 Implementation of Section 177 of the Compact
3 (hereafter in this subsection referred to as the “Sec-
4 tion 177 Agreement”) shall be only for services to
5 the people of the Atolls of Bikini, Enewetak,
6 Rongelap, and Utrik who were affected by the con-
7 sequences of the United States nuclear testing pro-
8 gram, pursuant to the program described in Public
9 Law 95–134 (91 Stat. 1159) and Public Law 96–
10 205 (94 Stat. 84) and their descendants (and any
11 other persons identified as having been so affected
12 if such identification occurs in the manner described
13 in such public laws). Nothing in this subsection shall
14 be construed as prejudicial to the views or policies
15 of the Government of the Marshall Islands as to the
16 persons affected by the consequences of the United
17 States nuclear testing program.

18 (2) In the joint resolution of January 14, 1986
19 (Public Law 99–239) Congress provided that at the
20 end of the first year after the effective date of the
21 Compact and at the end of each year thereafter, the
22 providing agency or agencies shall return to the Gov-
23 ernment of the Marshall Islands any unexpended
24 funds to be returned to the Fund Manager (as de-
25 scribed in Article I of the Section 177 Agreement)

1 to be covered into the Fund to be available for fu-
2 ture use.

3 (3) In the joint resolution of January 14, 1986
4 (Public Law 99-239) Congress provided that the
5 Fund Manager shall retain the funds returned by
6 the Government of the Marshall Islands pursuant to
7 paragraph (2) of this subsection, shall invest and
8 manage such funds, and at the end of 15 years after
9 the effective date of the Compact, shall make from
10 the total amount so retained and the proceeds there-
11 of annual disbursements sufficient to continue to
12 make payments for the provision of health services
13 as specified in paragraph (1) of this subsection to
14 such extent as may be provided in contracts between
15 the Government of the Marshall Islands and appro-
16 priate United States providers of such health serv-
17 ices. Nothing in this subsection creates any rights or
18 obligations beyond those provided for in the original
19 enacted version of Public Law 99-239.

20 (i) ENJEBI COMMUNITY TRUST FUND.—In the joint
21 resolution of January 14, 1986 (Public Law 99-239) Con-
22 gress provided that notwithstanding any other provision
23 of law, the Secretary of the Treasury shall establish on
24 the books of the Treasury of the United States a fund
25 having the status specified in Article V of the subsidiary

1 agreement for the implementation of Section 177 of the
2 Compact, to be known as the “Enjebi Community Trust
3 Fund” (hereafter in this subsection referred to as the
4 “Fund”), and shall credit to the Fund the amount of
5 \$7,500,000. Such amount, which shall be ex gratia, shall
6 be in addition to and not charged against any other funds
7 provided for in the Compact and its subsidiary agree-
8 ments, this joint resolution, or any other Act. Upon receipt
9 by the President of the United States of the agreement
10 described in this subsection, the Secretary of the Treas-
11 ury, upon request of the Government of the Marshall Is-
12 lands, shall transfer the Fund to the Government of the
13 Marshall Islands, provided that the Government of the
14 Marshall Islands agrees as follows:

15 (1) ENJEBI TRUST AGREEMENT.—In the joint
16 resolution of January 14, 1986 (Public Law 99–
17 239) Congress provided that the Government of the
18 Marshall Islands and the Enewetak Local Govern-
19 ment Council, in consultation with the people of
20 Enjebi, shall provide for the creation of the Enjebi
21 Community Trust Fund and the employment of the
22 manager of the Enewetak Fund established pursu-
23 ant to the Section 177 Agreement as trustee and
24 manager of the Enjebi Community Trust Fund, or,
25 should the manager of the Enewetak Fund not be

1 acceptable to the people of Enjebi, another United
2 States investment manager with substantial experi-
3 ence in the administration of trusts and with funds
4 under management in excess of 250 million dollars.

5 (2) MONITOR CONDITIONS.—In the joint resolu-
6 tion of January 14, 1986 (Public Law 99–239) Con-
7 gress provided that upon the request of the Govern-
8 ment of the Marshall Islands, the United States
9 shall monitor the radiation and other conditions on
10 Enjebi and within one year of receiving such a re-
11 quest shall report to the Government of the Marshall
12 Islands when the people of Enjebi may resettle
13 Enjebi under circumstances where the radioactive
14 contamination at Enjebi, including contamination
15 derived from consumption of locally grown food
16 products, can be reduced or otherwise controlled to
17 meet whole body Federal radiation protection stand-
18 ards for the general population, including mean an-
19 nual dose and mean 30-year cumulative dose stand-
20 ards.

21 (3) RESETTLEMENT OF ENJEBI.—In the joint
22 resolution of January 14, 1986 (Public Law 99–
23 239) Congress provided that in the event that the
24 United States determines that the people of Enjebi
25 can within 25 years of January 14, 1986, resettle

1 Enjebi under the conditions set forth in paragraph
2 (2) of this subsection, then upon such determination
3 there shall be available to the people of Enjebi from
4 the Fund such amounts as are necessary for the
5 people of Enjebi to do the following, in accordance
6 with a plan developed by the Enewetak Local Gov-
7 ernment Council and the people of Enjebi, and con-
8 curred with by the Government of the Marshall Is-
9 lands to assure consistency with the government's
10 overall economic development plan:

11 (A) Establish a community on Enjebi Is-
12 land for the use of the people of Enjebi.

13 (B) Replant Enjebi with appropriate food-
14 bearing and other vegetation.

15 (4) RESETTLEMENT OF OTHER LOCATION.—In
16 the joint resolution of January 14, 1986 (Public
17 Law 99–239) Congress provided that in the event
18 that the United States determines that within 25
19 years of January 14, 1986, the people of Enjebi can-
20 not resettle Enjebi without exceeding the radiation
21 standards set forth in paragraph (2) of this sub-
22 section, then the fund manager shall be directed by
23 the trust instrument to distribute the Fund to the
24 people of Enjebi for their resettlement at some other
25 location in accordance with a plan, developed by the

1 Enewetak Local Government Council and the people
2 of Enjebi and concurred with by the Government of
3 the Marshall Islands, to assure consistency with the
4 government's overall economic development plan.

5 (5) INTEREST FROM FUND.—In the joint reso-
6 lution of January 14, 1986 (Public Law 99-239)
7 Congress provided that prior to and during the dis-
8 tribution of the corpus of the Fund pursuant to
9 paragraphs (3) and (4) of this subsection, the people
10 of Enjebi may, if they so request, receive the interest
11 earned by the Fund on no less frequent a basis than
12 quarterly.

13 (6) DISCLAIMER OF LIABILITY.—In the joint
14 resolution of January 14, 1986 (Public Law 99-
15 239) Congress provided that neither under the laws
16 of the Marshall Islands nor under the laws of the
17 United States, shall the Government of the United
18 States be liable for any loss or damage to person
19 or property in respect to the resettlement of Enjebi
20 by the people of Enjebi, pursuant to the provision
21 of this subsection or otherwise.

22 (7) ____.—The ex gratia payment provided for
23 in this subsection was made. Nothing in this sub-
24 section creates any rights or obligations beyond

1 those provided for in the original enacted version of
2 Public Law 99-239.

3 (j) BIKINI ATOLL CLEANUP.—

4 (1) DECLARATION OF POLICY.—In the joint
5 resolution of January 14, 1986 (Public Law 99-
6 239), the Congress determined and declared that it
7 is the policy of the United States, to be supported
8 by the full faith and credit of the United States,
9 that because the United States, through its nuclear
10 testing and other activities, rendered Bikini Atoll
11 unsafe for habitation by the people of Bikini, the
12 United States will fulfill its responsibility for restor-
13 ing Bikini Atoll to habitability, as set forth in para-
14 graph (2) and (3) of this subsection.

15 (2) CLEANUP FUNDS.—The joint resolution of
16 January 14, 1986 (Public Law 99-239) authorized
17 to be appropriated such sums as necessary to imple-
18 ment the settlement agreement of March 15, 1985,
19 in *The People of Bikini, et al. against United States*
20 *of America, et al.*, Civ. No. 84-0425 (D. Ha.).

21 (3) CONDITIONS OF FUNDING.—In the joint
22 resolution of January 14, 1986 (Public Law 99-
23 239) the Congress provided that the funds referred
24 to in paragraph (2) were to be made available pursu-
25 ant to Article VI, Section 1 of the Compact Section

1 177 Agreement upon completion of the events set
2 forth in the settlement agreement referred to in
3 paragraph (2) of this subsection. Nothing in this
4 subsection creates any rights or obligations beyond
5 those provided for in the original enacted version of
6 Public Law 99–239.

7 (k) AGREEMENT ON AUDITS.—The Comptroller Gen-
8 eral (and his duly authorized representatives) shall have
9 the authorities necessary to carry out his responsibilities
10 under section 232 of the U.S.-RMI Compact and the
11 agreement referred to in section 462(b)(4) of the U.S.-
12 RMI Compact, including the following authorities:

13 (1) GENERAL AUTHORITY OF THE COMP-
14 TROLLER GENERAL TO AUDIT.—

15 (A) The Comptroller General of the United
16 States (and his duly authorized representatives)
17 shall have the authority to audit—

18 (i) all grants, program assistance, and
19 other assistance provided to the Govern-
20 ment of the Republic of the Marshall Is-
21 lands under Articles I and II of Title Two
22 of the U.S.-RMI Compact; and

23 (ii) any other assistance provided by
24 the Government of the United States to

1 the Government of the Republic of the
2 Marshall Islands.

3 Such authority shall include authority for the
4 Comptroller General to conduct or cause to be
5 conducted any of the audits provided for in sec-
6 tion 232 of the U.S.-RMI Compact. The au-
7 thority provided in this paragraph shall con-
8 tinue for at least three years after the last such
9 grant has been made or assistance has been
10 provided.

11 (B) The Comptroller General (and his duly
12 authorized representatives) shall also have au-
13 thority to review any audit conducted by or on
14 behalf of the Government of the United States.
15 In this connection, the Comptroller General
16 shall have access to such personnel and to such
17 records, documents, working papers, automated
18 data and files, and other information relevant
19 to such review.

20 (2) COMPTROLLER GENERAL ACCESS TO
21 RECORDS.—

22 (A) In carrying out paragraph (1), the
23 Comptroller General (and his duly authorized
24 representatives) shall have such access to the
25 personnel and (without cost) to records, docu-

1 ments, working papers, automated data and
2 files, and other information relevant to such au-
3 dits. The Comptroller General may duplicate
4 any such records, documents, working papers,
5 automated data and files, or other information
6 relevant to such audits.

7 (B) Such records, documents, working pa-
8 pers, automated data and files, and other infor-
9 mation regarding each such grant or other as-
10 sistance shall be maintained for at least three
11 years after the date such grant or assistance
12 was provided and in a manner that permits
13 such grants, assistance and payments to be ac-
14 counted for distinct from any other funds of the
15 Government of the Republic of the Marshall Is-
16 lands.

17 (3) STATUS OF COMPTROLLER GENERAL REP-
18 RESENTATIVES.—The Comptroller General and his
19 duly authorized representatives shall be immune
20 from civil and criminal process relating to words
21 spoken or written and all acts performed by them in
22 their official capacity and falling within their func-
23 tions, except insofar as such immunity may be ex-
24 pressly waived by the Government of the United
25 States. The Comptroller General and his duly au-

1 thorized representatives shall not be liable to arrest
2 or detention pending trial, except in the case of a
3 grave crime and pursuant to a decision by a com-
4 petent judicial authority, and such persons shall
5 enjoy immunity from seizure of personal property,
6 immigration restrictions, and laws relating to alien
7 registration, fingerprinting, and the registration of
8 foreign agents. Such persons shall enjoy the same
9 taxation exemptions as are set forth in Article 34 of
10 the Vienna Convention on Diplomatic Relations. The
11 privileges, exemptions and immunities accorded
12 under this paragraph are not for the personal ben-
13 efit of the individuals concerned but are to safeguard
14 the independent exercise of their official functions.
15 Without prejudice to those privileges, exemptions
16 and immunities, it is the duty of all such persons to
17 respect the laws and regulations of the Government
18 of the Republic of the Marshall Islands.

19 (4) AUDITS DEFINED.—As used in this sub-
20 section, the term “audits” includes financial, pro-
21 gram, and management audits, including
22 determining—

23 (A) whether the Government of the Repub-
24 lic of the Marshall Islands has met the require-
25 ments set forth in the U.S.-RMI Compact, or

1 any related agreement entered into under the
2 U.S.-RMI Compact, regarding the purposes for
3 which such grants and other assistance are to
4 be used; and

5 (B) the propriety of the financial trans-
6 actions of the Government of the Republic of
7 the Marshall Islands pursuant to such grants or
8 assistance.

9 (5) COOPERATION BY THE REPUBLIC OF THE
10 MARSHALL ISLANDS.—The Government of the Re-
11 public of the Marshall Islands will cooperate fully
12 with the Comptroller General of the United States in
13 the conduct of such audits as the Comptroller Gen-
14 eral determines necessary to enable the Comptroller
15 General to fully discharge his responsibilities under
16 this joint resolution.

17 **SEC. 104. INTERPRETATION OF AND UNITED STATES POL-**
18 **ICY REGARDING U.S.-FSM COMPACT AND U.S.-**
19 **RMI COMPACT.**

20 (a) HUMAN RIGHTS.—In approving the U.S.-FSM
21 Compact and the U.S.-RMI Compact, the Congress notes
22 the conclusion in the Statement of Intent of the Report
23 of The Future Political Status Commission of the Con-
24 gress of Micronesia in July, 1969, that “our recommenda-
25 tion of a free associated state is indissolubly linked to our

1 desire for such a democratic, representative, constitutional
2 government” and notes that such desire and intention are
3 reaffirmed and embodied in the Constitutions of the Fed-
4 erated States of Micronesia and the Republic of the Mar-
5 shall Islands. The Congress also notes and specifically en-
6 dors the preamble to the U.S.-FSM Compact and the
7 U.S.-RMI Compact, which affirms that the governments
8 of the parties to the U.S.-FSM Compact and the U.S.-
9 RMI Compact are founded upon respect for human rights
10 and fundamental freedoms for all. The Secretary of State
11 shall include in the annual reports on the status of inter-
12 nationally recognized human rights in foreign countries,
13 which are submitted to the Congress pursuant to sections
14 116 and 502B of the Foreign Assistance Act of 1961, “22
15 USC 2151n, 2304” a full and complete report regarding
16 the status of internationally recognized human rights in
17 the Federated States of Micronesia and the Republic of
18 the Marshall Islands.

19 (b) IMMIGRATION AND PASSPORT SECURITY.—

20 (1) NATURALIZED CITIZENS.—The rights of a
21 bona fide naturalized citizen of the Federated States
22 of Micronesia or the Republic of the Marshall Is-
23 lands to enter the United States, to lawfully engage
24 therein in occupations, and to establish residence
25 therein as a nonimmigrant, to the extent such rights

1 are provided under section 141 of the U.S.-FSM
2 Compact and U.S.-RMI Compact, shall not be
3 deemed to extend to any such naturalized citizen
4 with respect to whom circumstances associated with
5 the acquisition of the status of a naturalized citizen
6 are such as to allow a reasonable inference, on the
7 part of appropriate officials of the United States and
8 subject to United States procedural requirements,
9 that such naturalized status was acquired primarily
10 in order to obtain such rights.

11 (2) PASSPORTS.—Up to \$250,000 of the grant
12 assistance provided to the Federated States of Mi-
13 cronesia pursuant to section 211(a)(4) of the U.S.-
14 FSM Compact, and up to \$250,000 of the grant as-
15 sistance provided to the Republic of the Marshall Is-
16 lands pursuant to section 211(a)(4) of the U.S.-RMI
17 Compact (or a greater amount of the section
18 211(a)(4) grant, if mutually agreed between the
19 Government of the United States and the govern-
20 ment of the Federated States of Micronesia or the
21 government of the Republic of the Marshall Islands),
22 shall be used for the purpose of increasing the ma-
23 chine-readability and security of passports issued by
24 such jurisdictions. Such funds must be obligated by
25 September 30, 2004 and in the amount and manner

1 specified by the Secretary of State in consultation
2 with the Secretary of Homeland Security and, re-
3 spectively, with the government of the Federated
4 States of Micronesia and the government of the Re-
5 public of the Marshall Islands. The United States
6 Government is authorized to require that passports
7 used for the purpose of seeking admission under sec-
8 tion 141 of the U.S.-FSM Compact and the U.S.-
9 RMI Compact contain the security enhancements
10 funded by such assistance.

11 (3) INFORMATION-SHARING.—As a condition of
12 assistance under the U.S.-FSM Compact and the
13 U.S.-RMI Compact, the governments of the Fed-
14 erated States of Micronesia and the Republic of the
15 Marshall Islands shall develop, prior to October 1,
16 2004, the capability to provide reliable and timely
17 information as may reasonably be required by the
18 Government of the United States in enforcing crimi-
19 nal and security-related grounds of inadmissibility
20 and deportability under the Immigration and Na-
21 tionality Act, as amended, and shall provide such in-
22 formation to the Government of the United States.

23 (4) TRANSITION; CONSTRUCTION OF SECTIONS
24 141(A)(3) AND 141(A)(4) OF THE U.S.-FSM COMPACT
25 AND U.S.-RMI COMPACT.—The words “the effective

1 date of this Compact, as amended” in sections
2 141(a)(3) and 141(a)(4) of the U.S.-FSM Compact
3 and the U.S.-RMI Compact shall be construed to
4 read, “on the day prior to the enactment by the
5 United States Congress of the Amended Compact
6 Act.”.

7 (c) NONALIENATION OF LANDS.—The Congress en-
8 dorses and encourages the maintenance of the policies of
9 the Government of the Federated States of Micronesia and
10 the Government of the Republic of the Marshall Islands
11 to regulate, in accordance with their Constitutions and
12 laws, the alienation of permanent interests in real property
13 so as to restrict the acquisition of such interests to persons
14 of Federated States of Micronesia citizenship and the Re-
15 public of the Marshall Islands citizenship, respectively.

16 (d) NUCLEAR WASTE DISPOSAL.—In approving the
17 U.S.-FSM Compact and the U.S.-RMI Compact, the Con-
18 gress understands that the Government of the Federated
19 States of Micronesia and the Government of the Republic
20 of the Marshall Islands will not permit any other govern-
21 ment or any nongovernmental party to conduct, in the Re-
22 public of the Marshall Islands or in the Federated States
23 of Micronesia, any of the activities specified in subsection
24 (a) of section 314 of the U.S.-FSM Compact and the U.S.-
25 RMI Compact.

1 (e) EFFECT OF U.S.-FSM COMPACT AND U.S.-RMI
2 COMPACT ON CERTAIN U.S. AREAS; RELATED AUTHOR-
3 IZATION AND CONTINUING APPROPRIATION.—

4 (1) DEFINITIONS.—For the purposes of this
5 subsection—

6 (A) the term “affected jurisdiction” means
7 American Samoa, Guam, the Commonwealth of
8 the Northern Mariana Islands, or the State of
9 Hawaii; and

10 (B) the term “qualified nonimmigrant”
11 means person admitted pursuant to section 141
12 of the U.S.-RMI or U.S.-FSM Compact, or sec-
13 tion 141 of the Palau Compact who, as of a
14 date referenced in the most recently published
15 enumeration (i) is a resident of an affected ju-
16 risdiction, and (ii) has had periods of residence
17 in American Samoa, Guam, the Commonwealth
18 of the Northern Mariana Islands, or a State of
19 the United States with a duration, in the aggre-
20 gate, of less than 10 years; and their children
21 under the age of 18 who were admitted as non-
22 immigrants under the U.S.-RMI Compact, the
23 U.S.-FSM Compact, or the Palau Compact. As
24 used in this subsection, the term “resident”
25 shall be a person who has a “residence,” as

1 that term is defined in section 101(a)(33) of
2 the Immigration and Nationality Act, as
3 amended.

4 (2) AUTHORIZATION AND CONTINUING APPRO-
5 PRIATION.—There is hereby authorized and appro-
6 priated to the Secretary of the Interior, out of any
7 money in the Treasury not otherwise appropriated,
8 to remain available until expended, for each fiscal
9 year from 2004 through 2023, \$15,000,000 for
10 grants to affected jurisdictions to aid in defraying
11 costs incurred by affected jurisdictions as a result of
12 increased demands placed on health, educational, so-
13 cial, or public safety services or infrastructure re-
14 lated to such services due to the residence in af-
15 fected jurisdictions of qualified nonimmigrants from
16 the Republic of the Marshall Islands, the Federated
17 States of Micronesia, or the Republic of Palau. The
18 grants shall be—

19 (A) awarded and administered by the De-
20 partment of the Interior, Office of Insular Af-
21 fairs, or any successor thereto, in accordance
22 with regulations, policies and procedures appli-
23 cable to grants so awarded and administered,
24 and

1 (B) used only for health, educational, so-
2 cial, or public safety services, or infrastructure
3 related to such services, specifically affected by
4 qualified nonimmigrants.

5 (3) ENUMERATION.—The Secretary of the Inte-
6 rior shall conduct periodic enumerations of qualified
7 nonimmigrants in each affected jurisdiction. The
8 enumerations—

9 (A) shall be conducted at such intervals as
10 the Secretary of the Interior shall determine,
11 but no less frequently than every five years, be-
12 ginning in fiscal year 2003;

13 (B) shall be supervised by the United
14 States Bureau of the Census or such other or-
15 ganization as the Secretary of the Interior may
16 select; and

17 (C) after fiscal year 2003, shall be funded
18 by the Secretary of the Interior by deducting
19 such sums as are necessary from funds appro-
20 priated pursuant to the authorization contained
21 in paragraph (2) of this subsection.

22 (4) ALLOCATION.—The Secretary of the Inte-
23 rior shall allocate to the government of each affected
24 jurisdiction, on the basis of the results of the most
25 recent enumeration, grants in an aggregate amount

1 equal to the total amount of funds appropriated
2 under paragraph (2) of this subsection, as reduced
3 by any deductions authorized by subparagraph (C)
4 of paragraph (3) of this subsection, multiplied by a
5 ratio derived by dividing the number of qualified
6 nonimmigrants in such affected jurisdiction by the
7 total number of qualified nonimmigrants in all af-
8 fected jurisdictions.

9 (f) FOREIGN LOANS.—The Congress hereby reaf-
10 firms the United States position that the United States
11 Government is not responsible for foreign loans or debt
12 obtained by the Governments of the Federated States of
13 Micronesia and the Republic of the Marshall Islands.

14 **SEC. 105. SUPPLEMENTAL PROVISIONS.**

15 (a) DOMESTIC PROGRAM REQUIREMENTS.—Except
16 as may otherwise be provided in this joint resolution, all
17 United States Federal programs and services extended to
18 or operated in the Federated States of Micronesia or the
19 Republic of the Marshall Islands are and shall remain sub-
20 ject to all applicable criteria, standards, reporting require-
21 ments, auditing procedures, and other rules and regula-
22 tions applicable to such programs when operating in the
23 United States (including its territories and common-
24 wealths).

1 (b) RELATIONS WITH THE FEDERATED STATES OF
2 MICRONESIA AND THE REPUBLIC OF THE MARSHALL IS-
3 LANDS.—

4 (1) Appropriations made pursuant to Article I
5 of Title Two and subsection (a)(2) of section 221 of
6 Article II of Title Two of the U.S.-FSM Compact
7 and the U.S.-RMI Compact shall be made to the
8 Secretary of the Interior, who shall have the author-
9 ity necessary to fulfill his responsibilities for moni-
10 toring and managing the funds so appropriated con-
11 sistent with the U.S.-FSM Compact and the U.S.-
12 RMI Compact, including the agreements referred to
13 in section 462(b)(4) of the U.S.-FSM Compact and
14 U.S.-RMI Compact (relating to Fiscal Procedures)
15 and the agreements referred to in section 462(b)(5)
16 of the U.S.-FSM Compact and the U.S.-RMI Com-
17 pact (regarding the Trust Fund).

18 (2) Appropriations made pursuant to sub-
19 sections (a)(1) and (a)(3) through (6) of section 221
20 of Article II of Title Two of the U.S.-FSM Compact
21 and subsection (a)(1) and (a)(3) through (5) of the
22 U.S.-RMI Compact shall be made directly to the
23 agencies named in those subsections.

24 (3) Appropriations for services and programs
25 referred to in subsection (b) of section 221 of Article

1 II of Title Two of the U.S.-FSM Compact or U.S.-
2 RMI Compact and appropriations for services and
3 programs referred to in sections 105(f) and 108(a)
4 of this joint resolution shall be made to the relevant
5 agencies in accordance with the terms of the appro-
6 priations for such services and programs.

7 (4) Federal agencies providing programs and
8 services to the Federated States of Micronesia and
9 the Republic of the Marshall Islands shall coordinate
10 with the Secretaries of the Interior and State re-
11 garding provision of such programs and services.
12 The Secretaries of the Interior and State shall con-
13 sult with the Secretary of the Treasury regarding
14 overall economic conditions in the Federated States
15 of Micronesia and the Republic of the Marshall Is-
16 lands.

17 (5) United States Government employees in ei-
18 ther the Federated States of Micronesia or the Re-
19 public of the Marshall Islands are subject to the au-
20 thority of the United States Chief of Mission, includ-
21 ing as elaborated in section 207 of the Foreign Serv-
22 ice Act and the President's Letter of Instruction to
23 the United States Chief of Mission and any order or
24 directive of the President in effect from time to
25 time.

1 (6) The President is hereby authorized to ap-
2 point an Interagency Group on Freely Associated
3 States' Affairs to provide policy guidance and rec-
4 ommendations on implementation of the U.S.-FSM
5 Compact and the U.S.-RMI Compact to Federal de-
6 partments and agencies.

7 (7) The three United States appointees (United
8 States chair plus two members) to the Joint Eco-
9 nomic Management Committee provided for in sec-
10 tion 213 of the U.S.-FSM Compact and Article III
11 of the U.S.-FSM Fiscal Procedures Agreement re-
12 ferred to in section 462(b)(4) of the U.S.-FSM Com-
13 pact shall be United States Government officers or
14 employees. The three United States appointees
15 (United States chair plus two members) to the Joint
16 Economic Management and Financial Accountability
17 Committee provided for in section 214 of the U.S.-
18 RMI Compact and Article III of the U.S.-RMI Fis-
19 cal Procedures Agreement referred to in section
20 462(b)(4) of the U.S.-RMI Compact shall be United
21 States Government officers or employees.

22 (8) The United States voting members (United
23 States chair plus two or more members) of the
24 Trust Fund Committee appointed by the Govern-
25 ment of the United States pursuant to Article 7 of

1 the Trust Fund Agreement implementing section
2 215 of the U.S.-FSM Compact and referred to in
3 section 462(b)(5) of the U.S.-FSM Compact and
4 any alternates designated by the Government of the
5 United States shall be United States Government of-
6 ficers or employees. The United States voting mem-
7 bers (United States chair plus two or more mem-
8 bers) of the Trust Fund Committee appointed by the
9 Government of the United States pursuant to Article
10 7 of the Trust Fund Agreement implementing sec-
11 tion 216 of the U.S.-RMI Compact and referred to
12 in section 462(b)(5) of the U.S.-RMI Compact and
13 any alternates designated by the Government of the
14 United States shall be United States Government of-
15 ficers or employees.

16 (9) The Trust Fund Committee provided for in
17 Article 7 of the U.S.-FSM Trust Fund Agreement
18 implementing section 215 of the U.S.-FSM Compact
19 shall be a non-profit corporation incorporated under
20 the laws of the District of Columbia. To the extent
21 that any law, rule, regulation or ordinance of the
22 District of Columbia, or of any State or political
23 subdivision thereof in which the Trust Fund Com-
24 mittee is incorporated or doing business, impedes or
25 otherwise interferes with the performance of the

1 functions of the Trust Fund Committee pursuant to
2 this joint resolution, such law, rule, regulation, or
3 ordinance shall be deemed to be preempted by this
4 joint resolution. The Trust Fund Committee pro-
5 vided for in Article 7 of the U.S.-RMI Trust Fund
6 Agreement implementing section 216 of the U.S.-
7 RMI Compact shall be a non-profit corporation in-
8 corporated under the laws of the District of Colum-
9 bia. To the extent that any law, rule, regulation or
10 ordinance of the District of Columbia, or of any
11 State or political subdivision thereof in which the
12 Trust Fund Committee is incorporated or doing
13 business, impedes or otherwise interferes with the
14 performance of the functions of the Trust Fund
15 Committee pursuant to this joint resolution, such
16 law, rule, regulation, or ordinance shall be deemed
17 to be preempted by this joint resolution.

18 (c) CONTINUING TRUST TERRITORY AUTHORIZA-
19 TION.—The authorization provided by the Act of June 30,
20 1954, as amended (68 Stat. 330) shall remain available
21 after the effective date of the Compact with respect to the
22 Federated States of Micronesia and the Republic of the
23 Marshall Islands for the following purposes:

1 (1) Prior to October 1, 1986, for any purpose
2 authorized by the Compact or the joint resolution of
3 January 14, 1986 (Public Law 99-239).

4 (2) Transition purposes, including but not lim-
5 ited to, completion of projects and fulfillment of
6 commitments or obligations; termination of the
7 Trust Territory Government and termination of the
8 High Court; health and education as a result of ex-
9 ceptional circumstances; ex gratia contributions for
10 the populations of Bikini, Enewetak, Rongelap, and
11 Utrik; and technical assistance and training in fi-
12 nancial management, program administration, and
13 maintenance of infrastructure, except that, for pur-
14 poses of an orderly reduction of United States pro-
15 grams and services in the Federated States of Mi-
16 cronesia, the Marshall Islands, and Palau, United
17 States programs or services not specifically author-
18 ized by the Compact of Free Association or by other
19 provisions of law may continue but, unless reim-
20 bursed by the respective freely associated state, not
21 in excess of the following amounts:

22 (A) For fiscal year 1987, an amount not to
23 exceed 75 per centum of the total amount ap-
24 propriated for such programs for fiscal year
25 1986.

1 (B) For fiscal year 1988, an amount not
2 to exceed 50 per centum of the total amount
3 appropriated for such programs for fiscal year
4 1986.

5 (C) For fiscal year 1989, an amount not to
6 exceed 25 per centum of the total amount ap-
7 propriated for such programs for fiscal year
8 1986.

9 (d) SURVIVABILITY.—In furtherance of the provi-
10 sions of Title Four, Article V, sections 452 and 453 of
11 the U.S.-FSM Compact and the U.S.-RMI Compact, any
12 provisions of the U.S.-FSM Compact or the U.S.-RMI
13 Compact which remain effective after the termination of
14 the U.S.-FSM Compact or U.S.-RMI Compact by the act
15 of any party thereto and which are affected in any manner
16 by provisions of this title shall remain subject to such pro-
17 visions.

18 (e) NONCOMPLIANCE SANCTIONS; ACTIONS INCOM-
19 PATIBLE WITH UNITED STATES AUTHORITY.—The Con-
20 gress expresses its understanding that the Governments
21 of the Federated States of Micronesia and the Republic
22 of the Marshall Islands will not act in a manner incompat-
23 ible with the authority and responsibility of the United
24 States for security and defense matters in or related to
25 the Federated States of Micronesia or the Republic of the

1 Marshall Islands pursuant to the U.S.-FSM Compact or
2 the U.S.-RMI Compact, including the agreements referred
3 to in sections 462(a)(2) of the U.S.-FSM Compact and
4 462(a)(5) of the U.S.-RMI Compact. The Congress fur-
5 ther expresses its intention that any such act on the part
6 of either such Government will be viewed by the United
7 States as a material breach of the U.S.-FSM Compact or
8 U.S.-RMI Compact. The Government of the United States
9 reserves the right in the event of such a material breach
10 of the U.S.-FSM Compact by the Government of the Fed-
11 erated States of Micronesia or the U.S.-RMI Compact by
12 the Government of the Republic of the Marshall Islands
13 to take action, including (but not limited to) the suspen-
14 sion in whole or in part of the obligations of the Govern-
15 ment of the United States to that Government.

16 (f) CONTINUING PROGRAMS AND LAWS.—

17 (1) FEDERATED STATES OF MICRONESIA AND
18 REPUBLIC OF THE MARSHALL ISLANDS.—In addi-
19 tion to the programs and services set forth in section
20 221 of the Compact, and pursuant to section 222 of
21 the Compact, the programs and services of the fol-
22 lowing agencies shall be made available to the Fed-
23 erated States of Micronesia and to the Republic of
24 the Marshall Islands:

25 (A) The Legal Services Corporation.

1 (B) The Public Health Service.

2 (C) The Rural Housing Service (formerly,
3 the Farmers Home Administration) in the Mar-
4 shall Islands and each of the four States of the
5 Federated States of Micronesia: *Provided*, That
6 in lieu of continuation of the program in the
7 Federated States of Micronesia, the President
8 may agree to transfer to the Government of the
9 Federated States of Micronesia without cost,
10 the portfolio of the Rural Housing Service ap-
11 plicable to the Federated States of Micronesia
12 and provide such technical assistance in man-
13 agement of the portfolio as may be requested by
14 the Federated States of Micronesia).

15 (2) TORT CLAIMS.—The provisions of section
16 178 of the U.S.-FSM Compact and the U.S.-RMI
17 Compact regarding settlement and payment of tort
18 claims shall apply to employees of any Federal agen-
19 cy of the Government of the United States (and to
20 any other person employed on behalf of any Federal
21 agency of the Government of the United States on
22 the basis of a contractual, cooperative, or similar
23 agreement) which provides any service or carries out
24 any other function pursuant to or in furtherance of
25 any provisions of the U.S.-FSM Compact or the

1 U.S.-RMI Compact or this joint resolution, except
2 for provisions of Title Three of the Compact and of
3 the subsidiary agreements related to such Title, in
4 such area to which such Agreement formerly ap-
5 plied.

6 (3) PCB CLEANUP.—The programs and serv-
7 ices of the Environmental Protection Agency regard-
8 ing PCBs shall, to the extent applicable, as appro-
9 priate, and in accordance with applicable law, be
10 construed to be made available to such islands.

11 (g) COLLEGE OF MICRONESIA.—Until otherwise pro-
12 vided by Act of Congress, or until termination of the U.S.-
13 FSM Compact and the U.S.-RMI Compact, the College
14 of Micronesia shall retain its status as a land-grant insti-
15 tution and its eligibility for all benefits and programs
16 available to such land-grant institutions.

17 (h) TRUST TERRITORY DEBTS TO U.S. FEDERAL
18 AGENCIES.—Neither the Government of the Federated
19 States of Micronesia nor the Government of the Marshall
20 Islands shall be required to pay to any department, agen-
21 cy, independent agency, office, or instrumentality of the
22 United States any amounts owed to such department,
23 agency, independent agency, office, or instrumentality by
24 the Government of the Trust Territory of the Pacific Is-
25 lands as of the effective date of the Compact. There is

1 authorized to be appropriated such sums as may be nec-
2 essary to carry out the purposes of this subsection.

3 (i) USE OF DOD MEDICAL FACILITIES.—The Sec-
4 retary of Defense is hereby authorized to cooperate with
5 government authorities responsible for provision of med-
6 ical services in the Federated States of Micronesia and
7 the Republic of the Marshall Islands in order to permit
8 use of medical facilities of the Department of Defense for
9 persons properly referred by such authorities in accord-
10 ance with Article XVII of the agreements referred to in
11 section 462(b)(7) of the U.S.-FSM Compact and the U.S.-
12 RMI Compact. The Secretary of Health and Human Serv-
13 ices is hereby authorized and directed to continue to make
14 the services of the National Health Service Corps available
15 to the residents of the Federated States of Micronesia and
16 the Republic of the Marshall Islands to the same extent
17 and for so long as such services are authorized to be pro-
18 vided to persons residing in any other areas within or out-
19 side the United States.

20 (j) TECHNICAL ASSISTANCE.—Technical assistance
21 may be provided pursuant to section 224 of the U.S.-FSM
22 Compact or the U.S.-RMI Compact by Federal agencies
23 and institutions of the Government of the United States
24 to the extent such assistance may be provided to States,
25 territories, or units of local government. Such assistance

1 by the Forest Service, the Natural Resources Conservation
2 Service, the USDA Resource Conservation and Develop-
3 ment Program, the Fish and Wildlife Service, the National
4 Marine Fisheries Service, the United States Coast Guard,
5 and the Advisory Council on Historic Preservation, the
6 Department of the Interior, and other agencies providing
7 assistance under the National Historic Preservation Act
8 (80 Stat. 915; 16 U.S.C. 470–470t), shall be on a non-
9 reimbursable basis. During the period the U.S.-FSM Com-
10 pact and the U.S.-RMI Compact are in effect, the grant
11 programs under the National Historic Preservation Act
12 shall continue to apply to the Federated States of Micro-
13 nesia and the Republic of the Marshall Islands in the same
14 manner and to the same extent as prior to the approval
15 of the Compact. Any funds provided pursuant to sections
16 102(a), 103(a), 103(b), 103(f), 103(g), 103(h), 103(j),
17 105(e), 105(g), 105(h), 105(i), 105(j), 105(k), 105(l), and
18 105(m) of this joint resolution shall be in addition to and
19 not charged against any amounts to be paid to either the
20 Federated States of Micronesia or the Republic of the
21 Marshall Islands pursuant to the U.S.-FSM Compact, the
22 U.S.-RMI Compact, or their related subsidiary agree-
23 ments.

24 (k) PRIOR SERVICE BENEFITS PROGRAM.—Notwith-
25 standing any other provision of law, persons who on Janu-

1 ary 1, 1985, were eligible to receive payment under the
2 Prior Service Benefits Program established within the So-
3 cial Security System of the Trust Territory of the Pacific
4 Islands because of their services performed for the United
5 States Navy or the Government of the Trust Territory of
6 the Pacific Islands prior to July 1, 1968, shall continue
7 to receive such payments on and after the effective date
8 of the Compact.

9 (l) INDEFINITE LAND USE PAYMENTS.—There are
10 authorized to be appropriated such sums as may be nec-
11 essary to complete repayment by the United States of any
12 debts owed for the use of various lands in the Federated
13 States of Micronesia and the Marshall Islands prior to
14 January 1, 1985.

15 (m) COMMUNICABLE DISEASE CONTROL PRO-
16 GRAM.—There are authorized to be appropriated for
17 grants to the Government of the Federated States of Mi-
18 cronesia such sums as may be necessary for purposes of
19 establishing or continuing programs for the control and
20 prevention of communicable diseases, including (but not
21 limited to) cholera and Hansen's Disease. The Secretary
22 of the Interior shall assist the Government of the Fed-
23 erated States of Micronesia and the Government of the
24 Republic of the Marshall Islands in designing and imple-
25 menting such a program.

1 (n) USER FEES.—Any person in the Federated
2 States of Micronesia or the Republic of the Marshall Is-
3 lands shall be liable for user fees, if any, for services pro-
4 vided in the Federated States of Micronesia or the Repub-
5 lic of the Marshall Islands by the Government of the
6 United States to the same extent as any person in the
7 United States would be liable for fees, if any, for such
8 services in the United States.

9 (o) TREATMENT OF JUDGMENTS OF COURTS OF THE
10 FEDERATED STATES OF MICRONESIA, THE REPUBLIC OF
11 THE MARSHALL ISLANDS, AND THE REPUBLIC OF
12 PALAU.—No judgment, whenever issued, of a court of the
13 Federated States of Micronesia, the Republic of the Mar-
14 shall Islands, or the Republic of Palau, against the United
15 States, its departments and agencies, or officials of the
16 United States or any other individuals acting on behalf
17 of the United States within the scope of their official duty,
18 shall be honored by the United States, or be subject to
19 recognition or enforcement in a court in the United States,
20 unless the judgment is consistent with the interpretation
21 by the United States of international agreements relevant
22 to the judgment. In determining the consistency of a judg-
23 ment with an international agreement, due regard shall
24 be given to assurances made by the Executive Branch to

1 the Congress of the United States regarding the proper
2 interpretation of the international agreement.

3 **SEC. 106. CONSTRUCTION CONTRACT ASSISTANCE.**

4 (a) ASSISTANCE TO U.S. FIRMS.—In order to assist
5 the Governments of the Federated States of Micronesia
6 and of the Republic of the Marshall Islands through pri-
7 vate sector firms which may be awarded contracts for con-
8 struction or major repair of capital infrastructure within
9 the Federated States of Micronesia or the Republic of the
10 Marshall Islands, the United States shall consult with the
11 Governments of the Federated States of Micronesia and
12 the Republic of the Marshall Islands with respect to any
13 such contracts, and the United States shall enter into
14 agreements with such firms whereby such firms will, con-
15 sistent with applicable requirements of such
16 Governments—

17 (1) to the maximum extent possible, employ
18 citizens of the Federated States of Micronesia and
19 the Republic of the Marshall Islands;

20 (2) to the extent that necessary skills are not
21 possessed by citizens of the Federated States of Mi-
22 cronesia and the Republic of the Marshall Islands,
23 provide on the job training, with particular emphasis
24 on the development of skills relating to operation of

1 machinery and routine and preventative maintenance
2 of machinery and other facilities; and

3 (3) provide specific training or other assistance
4 in order to enable the Government to engage in
5 long-term maintenance of infrastructure.

6 Assistance by such firms pursuant to this section may not
7 exceed 20 percent of the amount of the contract and shall
8 be made available only to such firms which meet the defi-
9 nition of United States firm under the nationality rule for
10 suppliers of services of the Agency for International Devel-
11 opment (hereafter in this section referred to as “United
12 States firms”). There are authorized to be appropriated
13 such sums as may be necessary for the purposes of this
14 subsection.

15 (b) AUTHORIZATION OF APPROPRIATIONS.—There
16 are authorized to be appropriated such sums as may be
17 necessary to cover any additional costs incurred by the
18 Government of the Federated States of Micronesia or the
19 Republic of the Marshall Islands if such Governments,
20 pursuant to an agreement entered into with the United
21 States, apply a preference on the award of contracts to
22 United States firms, provided that the amount of such
23 preference does not exceed 10 percent of the amount of
24 the lowest qualified bid from a non-United States firm for
25 such contract.

1 **SEC. 107. PROHIBITION.**

2 The provisions of chapter 11 of title 18, United
3 States Code, shall apply in full to any individual who has
4 served as the United States negotiator of amendments to
5 the Compact or its subsidiary agreements or of related
6 agreements or who is or was an officer or employee of
7 the Office in the Department of State responsible for ne-
8 gotiating amendments to the Compact or its subsidiary
9 agreements or who is or was assigned or detailed to that
10 Office or who served on the interagency group coordi-
11 nating United States policy on the Compact negotiations.

12 **SEC. 108. COMPENSATORY ADJUSTMENTS.**

13 (a) ADDITIONAL PROGRAMS AND SERVICES.—In ad-
14 dition to the programs and services set forth in Section
15 221 of the U.S.-FSM Compact and the U.S.-RMI Com-
16 pact, and pursuant to Section 222 of the U.S.-FSM Com-
17 pact and the U.S.-RMI Compact, the services and pro-
18 grams of the following United States agencies are author-
19 ized to be made available to the Federated States of Mi-
20 cronesia and the Republic of the Marshall Islands: the
21 Small Business Administration, Economic Development
22 Administration, the Rural Utilities Services (formerly
23 Rural Electrification Administration); and the programs
24 and services of the Department of Labor under the Work-
25 force Investment Act of 1998; and the programs and serv-

1 ices of the Department of Commerce relating to tourism
2 and to marine resource development.

3 (b) FURTHER AMOUNTS.—

4 (1) The joint resolution of January 14, 1986
5 (Public Law 99–239) provided that the governments
6 of the Federated States of Micronesia and the Mar-
7 shall Islands may submit to Congress reports con-
8 cerning the overall financial and economic impacts
9 on such areas resulting from the effect of Title IV
10 of that joint resolution upon Title Two of the Com-
11 pact. There were authorized to be appropriated for
12 fiscal years beginning after September 30, 1990,
13 such amounts as necessary, but not to exceed \$40
14 million for the Federated States of Micronesia and
15 \$20 million for the Marshall Islands, as provided in
16 appropriation acts, to further compensate the gov-
17 ernments of such islands (in addition to the com-
18 pensation provided in subsections (a) and (b) of sec-
19 tion 111 of the joint resolution of January 14, 1986
20 (Public Law 99–239) for adverse impacts, if any, on
21 the finances and economies of such areas resulting
22 from the effect of Title IV of that joint resolution
23 upon Title Two of the Compact. The joint resolution
24 of January 14, 1986 (Public Law 99–239) further
25 provided that at the end of the initial fifteen-year

1 term of the Compact, should any portion of the total
2 amount of funds authorized in subsection 111 of
3 that resolution not have been appropriated, such
4 amount not yet appropriated may be appropriated,
5 without regard to divisions between amounts author-
6 ized in subsection 111 for the Federated States of
7 Micronesia and for the Marshall Islands, based on
8 either or both such government's showing of such
9 adverse impact, if any, as provided in that sub-
10 section.

11 (2) The governments of the Federated States of
12 Micronesia and the Republic of the Marshall Islands
13 may each submit no more than one report or request
14 for further compensation under section 111 of the
15 joint resolution of January 14, 1986 (Public Law
16 99-239) and any such report or request must be
17 submitted by September 30, 2004. Only adverse eco-
18 nomic effect occurring during the initial fifteen-year
19 term of the Compact may be considered for com-
20 pensation under section 111 of the joint resolution
21 of January 14, 1986 (Public Law 99-239).

22 **SEC. 109. AUTHORIZATION AND CONTINUING APPROPRIA-**
23 **TION.**

24 (a) There are authorized and appropriated to the De-
25 partment of the Interior, out of any money in the Treas-

1 ury not otherwise appropriated, to remain available until
2 expended, such sums as are necessary to carry out the
3 purposes of sections 211, 212(b), 215, and 217 of the
4 U.S.-FSM-Compact and sections 211, 212, 213(b), 216,
5 and 218 of the U.S.-RMI Compact, in this and subsequent
6 years.

7 (b) There are authorized to be appropriated to the
8 Departments, agencies, and instrumentalities named in
9 paragraphs (1) and (3) through (6) of section 221(a) of
10 the U.S.-FSM Compact and paragraphs (1) and (3)
11 through (5) of section 221(a) of the U.S.-RMI Compact,
12 such sums as are necessary to carry out the purposes of
13 sections 221(a) of the U.S.-FSM Compact and the U.S.-
14 RMI Compact, to remain available until expended.

15 **SEC. 110. PAYMENT OF CITIZENS OF THE FEDERATED**
16 **STATES OF MICRONESIA, THE REPUBLIC OF**
17 **THE MARSHALL ISLANDS, AND THE REPUB-**
18 **LIC OF PALAU EMPLOYED BY THE GOVERN-**
19 **MENT OF THE UNITED STATES IN THE CONTI-**
20 **NENTAL UNITED STATES.**

21 Section 605 of Public Law 107–67 (the Treasury and
22 General Government Appropriations Act, 2002) is amend-
23 ed by striking “or the Republic of the Philippines,” in the
24 last sentence and inserting the following: “the Republic
25 of the Philippines, the Federated States of Micronesia, the

1 Republic of the Marshall Islands, or the Republic of
2 Palau.”.

3 **TITLE II—COMPACTS OF FREE**
4 **ASSOCIATION WITH THE FED-**
5 **ERATED STATES OF MICRO-**
6 **NESIA AND THE REPUBLIC OF**
7 **THE MARSHALL ISLANDS**

8 **SEC. 201. COMPACTS OF FREE ASSOCIATION, AS AMENDED**
9 **BETWEEN THE GOVERNMENT OF THE**
10 **UNITED STATES OF AMERICA AND THE GOV-**
11 **ERNMENT OF THE FEDERATED STATES OF**
12 **MICRONESIA AND BETWEEN THE GOVERN-**
13 **MENT OF THE UNITED STATES OF AMERICA**
14 **AND THE GOVERNMENT OF THE REPUBLIC**
15 **OF THE MARSHALL ISLANDS.**

16 (a) COMPACT OF FREE ASSOCIATION, AS AMENDED,
17 BETWEEN THE GOVERNMENT OF THE UNITED STATES
18 OF AMERICA AND THE GOVERNMENT OF THE FED-
19 ERATED STATES OF MICRONESIA.—

20 **PREAMBLE**

21 **THE GOVERNMENT OF THE UNITED STATES OF**
22 **AMERICA AND THE GOVERNMENT OF THE**
23 **FEDERATED STATES OF MICRONESIA**

24 Affirming that their Governments and their relation-
25 ship as Governments are founded upon respect for human

1 rights and fundamental freedoms for all, and that the peo-
2 ple of the Federated States of Micronesia have the right
3 to enjoy self-government; and

4 Affirming the common interests of the United States
5 of America and the Federated States of Micronesia in cre-
6 ating and maintaining their close and mutually beneficial
7 relationship through the free and voluntary association of
8 their respective Governments; and

9 Affirming the interest of the Government of the
10 United States in promoting the economic advancement
11 and budgetary self-reliance of the Federated States of Mi-
12 cronesia; and

13 Recognizing that their relationship until the entry
14 into force on November 3, 1986 of the Compact was based
15 upon the International Trusteeship System of the United
16 Nations Charter, and in particular Article 76 of the Char-
17 ter; and that pursuant to Article 76 of the Charter, the
18 people of the Federated States of Micronesia have progres-
19 sively developed their institutions of self-government, and
20 that in the exercise of their sovereign right to self-deter-
21 mination they, through their freely-expressed wishes, have
22 adopted a Constitution appropriate to their particular cir-
23 cumstances; and

24 Recognizing that the Compact reflected their common
25 desire to terminate the Trusteeship and establish a gov-

1 ernment-to-government relationship which was in accord-
2 ance with the new political status based on the freely ex-
3 pressed wishes of the people of the Federated States of
4 Micronesia and appropriate to their particular cir-
5 cumstances; and

6 Recognizing that the people of the Federated States
7 of Micronesia have and retain their sovereignty and their
8 sovereign right to self-determination and the inherent
9 right to adopt and amend their own Constitution and form
10 of government and that the approval of the entry of the
11 Government of the Federated States of Micronesia into
12 the Compact by the people of the Federated States of Mi-
13 cronesia constituted an exercise of their sovereign right
14 to self-determination; and

15 Recognizing the common desire of the people of the
16 United States and the people of the Federated States of
17 Micronesia to maintain their close government-to-govern-
18 ment relationship, the United States and the Federated
19 States of Micronesia:

20 NOW, THEREFORE, MUTUALLY AGREE to
21 continue and strengthen their relationship of free associa-
22 tion by amending the Compact, which continues to provide
23 a full measure of self-government for the people of the
24 Federated States of Micronesia; and

1 FURTHER AGREE that the relationship of free as-
2 sociation derives from and is as set forth in this Compact,
3 as amended, by the Governments of the United States and
4 the Federated States of Micronesia; and that, during such
5 relationship of free association, the respective rights and
6 responsibilities of the Government of the United States
7 and the Government of the Federated States of Micronesia
8 in regard to this relationship of free association derive
9 from and are as set forth in this Compact, as amended.

10

TITLE ONE

11

GOVERNMENTAL RELATIONS

12

Article I

13

Self-Government

14 Section 111

15 The people of the Federated States of Micronesia,
16 acting through the Government established under their
17 Constitution, are self-governing.

18

Article II

19

Foreign Affairs

20 Section 121

21 (a) The Government of the Federated States of Mi-
22 cronesia has the capacity to conduct foreign affairs and
23 shall do so in its own name and right, except as otherwise
24 provided in this Compact, as amended.

1 (b) The foreign affairs capacity of the Government
2 of the Federated States of Micronesia includes:

3 (1) the conduct of foreign affairs relating to law
4 of the sea and marine resources matters, including
5 the harvesting, conservation, exploration or exploi-
6 tation of living and non-living resources from the
7 sea, seabed or subsoil to the full extent recognized
8 under international law;

9 (2) the conduct of its commercial, diplomatic,
10 consular, economic, trade, banking, postal, civil avia-
11 tion, communications, and cultural relations, includ-
12 ing negotiations for the receipt of developmental
13 loans and grants and the conclusion of arrangements
14 with other governments and international and inter-
15 governmental organizations, including any matters
16 specially benefiting its individual citizens.

17 (c) The Government of the United States recognizes
18 that the Government of the Federated States of Micro-
19 nesia has the capacity to enter into, in its own name and
20 right, treaties and other international agreements with
21 governments and regional and international organizations.

22 (d) In the conduct of its foreign affairs, the Govern-
23 ment of the Federated States of Micronesia confirms that
24 it shall act in accordance with principles of international

1 law and shall settle its international disputes by peaceful
2 means.

3 Section 122

4 The Government of the United States shall support
5 applications by the Government of the Federated States
6 of Micronesia for membership or other participation in re-
7 gional or international organizations as may be mutually
8 agreed.

9 Section 123

10 (a) In recognition of the authority and responsibility
11 of the Government of the United States under Title Three,
12 the Government of the Federated States of Micronesia
13 shall consult, in the conduct of its foreign affairs, with
14 the Government of the United States.

15 (b) In recognition of the foreign affairs capacity of
16 the Government of the Federated States of Micronesia,
17 the Government of the United States, in the conduct of
18 its foreign affairs, shall consult with the Government of
19 the Federated States of Micronesia on matters that the
20 Government of the United States regards as relating to
21 or affecting the Government of the Federated States of
22 Micronesia.

23 Section 124

24 The Government of the United States may assist or
25 act on behalf of the Government of the Federated States

1 of Micronesia in the area of foreign affairs as may be re-
2 quested and mutually agreed from time to time. The Gov-
3 ernment of the United States shall not be responsible to
4 third parties for the actions of the Government of the Fed-
5 erated States of Micronesia undertaken with the assist-
6 ance or through the agency of the Government of the
7 United States pursuant to this section unless expressly
8 agreed.

9 Section 125

10 The Government of the United States shall not be
11 responsible for nor obligated by any actions taken by the
12 Government of the Federated States of Micronesia in the
13 area of foreign affairs, except as may from time to time
14 be expressly agreed.

15 Section 126

16 At the request of the Government of the Federated
17 States of Micronesia and subject to the consent of the re-
18 ceiving state, the Government of the United States shall
19 extend consular assistance on the same basis as for citi-
20 zens of the United States to citizens of the Federated
21 States of Micronesia for travel outside the Federated
22 States of Micronesia, the United States and its territories
23 and possessions.

24 Section 127

1 Except as otherwise provided in this Compact, as
2 amended, or its related agreements, all obligations, re-
3 sponsibilities, rights and benefits of the Government of the
4 United States as Administering Authority which resulted
5 from the application pursuant to the Trusteeship Agree-
6 ment of any treaty or other international agreement to the
7 Trust Territory of the Pacific Islands on November 2,
8 1986, are, as of that date, no longer assumed and enjoyed
9 by the Government of the United States.

10 Article III
11 Communications

12 Section 131

13 (a) The Government of the Federated States of Mi-
14 cronesia has full authority and responsibility to regulate
15 its domestic and foreign communications, and the Govern-
16 ment of the United States shall provide communications
17 assistance as mutually agreed.

18 (b) On May 24, 1993, the Government of the Fed-
19 erated States of Micronesia elected to undertake all func-
20 tions previously performed by the Government of the
21 United States with respect to domestic and foreign com-
22 munications, except for those functions set forth in a sepa-
23 rate agreement entered into pursuant to this section of
24 the Compact, as amended.

25 Section 132

Article IV

Immigration

11 Section 141

(a) In furtherance of the special and unique relationship that exists between the United States and the Federated States of Micronesia, under the Compact, as amended, any person in the following categories may be admitted to lawfully engage in occupations, and establish residence as a nonimmigrant in the United States and its territories and possessions (the “United States”) without regard to paragraph (5) or (7)(B)(i)(II) of section 212(a) of the Immigration and Nationality Act, as amended, 8 U.S.C. 1182(a)(5) or (7)(B)(i)(II):

(1) a person who, on November 2, 1986, was a citizen of the Trust Territory of the Pacific Islands, as defined in Title 53 of the Trust Territory Code in force on January 1, 1979, and has become and

1 remains a citizen of the Federated States of Micro-
2 nesia;

3 (2) a person who acquires the citizenship of the
4 Federated States of Micronesia at birth, on or after
5 the effective date of the Constitution of the Fed-
6 erated States of Micronesia;

7 (3) an immediate relative of a person referred
8 to in paragraphs (1) or (2) of this section, provided
9 that such immediate relative is a naturalized citizen
10 of the Federated States of Micronesia who has been
11 an actual resident there for not less than five years
12 after attaining such naturalization and who holds a
13 certificate of actual residence, and further provided,
14 that, in the case of a spouse, such spouse has been
15 married to the person referred to in paragraph (1)
16 or (2) of this section for at least five years, and fur-
17 ther provided, that the Government of the United
18 States is satisfied that such naturalized citizen
19 meets the requirement of subsection (b) of section
20 104 of Public Law 99-239 as it was in effect on the
21 day prior to the effective date of this Compact, as
22 amended;

23 (4) a naturalized citizen of the Federated
24 States of Micronesia who was an actual resident
25 there for not less than five years after attaining such

1 naturalization and who satisfied these requirements
2 as of April 30, 2003, who continues to be an actual
3 resident and holds a certificate of actual residence,
4 and whose name is included in a list furnished by
5 the Government of the Federated States of Micro-
6 nesia to the Government of the United States no
7 later than the effective date of the Compact, as
8 amended, in form and content acceptable to the Gov-
9 ernment of the United States, provided, that the
10 Government of the United States is satisfied that
11 such naturalized citizen meets the requirement of
12 subsection (b) of section 104 of Public Law 99–239
13 as it was in effect on the day prior to the effective
14 date of this Compact, as amended; or

15 (5) an immediate relative of a citizen of the
16 Federated States of Micronesia, regardless of the
17 immediate relative's country of citizenship or period
18 of residence in the Federated States of Micronesia,
19 if the citizen of the Federated States of Micronesia
20 is serving on active duty in any branch of the United
21 States Armed Forces, or in the active reserves.

22 (b) Notwithstanding subsection (a) of this section, a
23 person who is coming to the United States pursuant to
24 an adoption outside the United States, or for the purpose
25 of adoption in the United States, is ineligible for admission

1 under the Compact and the Compact, as amended. This
2 subsection shall apply to any person who is or was an ap-
3 plicant for admission to the United States on or after
4 March 1, 2003, including any applicant for admission in
5 removal proceedings (including appellate proceedings) on
6 or after March 1, 2003, regardless of the date such pro-
7 ceedings were commenced. This subsection shall have no
8 effect on the ability of the Government of the United
9 States or any United States State or local government to
10 commence or otherwise take any action against any person
11 or entity who has violated any law relating to the adoption
12 of any person.

13 (c) Notwithstanding subsection (a) of this section, no
14 person who has been or is granted citizenship in the Fed-
15 erated States of Micronesia, or has been or is issued a
16 Federated States of Micronesia passport pursuant to any
17 investment, passport sale, or similar program has been or
18 shall be eligible for admission to the United States under
19 the Compact or the Compact, as amended.

20 (d) A person admitted to the United States under the
21 Compact, or the Compact, as amended, shall be considered
22 to have the permission of the Government of the United
23 States to accept employment in the United States. An un-
24 expired Federated States of Micronesia passport with un-
25 expired documentation issued by the Government of the

1 United States evidencing admission under the Compact or
2 the Compact, as amended, shall be considered to be docu-
3 mentation establishing identity and employment author-
4 ization under section 274A(b)(1)(B) of the Immigration
5 and Nationality Act, as amended, 8 U.S.C.
6 1324a(b)(1)(B). The Government of the United States
7 will take reasonable and appropriate steps to implement
8 and publicize this provision, and the Government of the
9 Federated States of Micronesia will also take reasonable
10 and appropriate steps to publicize this provision.

11 (e) For purposes of the Compact and the Compact,
12 as amended:

13 (1) the term “residence” with respect to a per-
14 son means the person’s principal, actual dwelling
15 place in fact, without regard to intent, as provided
16 in section 101(a)(33) of the Immigration and Na-
17 tionality Act, as amended, 8 U.S.C. 1101(a)(33),
18 and variations of the term “residence,” including
19 “resident” and “reside,” shall be similarly con-
20 strued;

21 (2) the term “actual residence” means physical
22 presence in the Federated States of Micronesia dur-
23 ing eighty-five percent of the five-year period of resi-
24 dency required by section 141(a)(3) and (4);

1 (3) the term “certificate of actual residence”
2 means a certificate issued to a naturalized citizen by
3 the Government of the Federated States of Micro-
4 nesia stating that the citizen has complied with the
5 actual residence requirement of section 141(a)(3) or
6 (4);

7 (4) the term “nonimmigrant” means an alien
8 who is not an “immigrant” as defined in section
9 101(a)(15) of such Act, 8 U.S.C. 1101(a)(15); and

10 (5) the term “immediate relative” means a
11 spouse, or unmarried son or unmarried daughter
12 less than 21 years of age.

13 (f) The Immigration and Nationality Act, as amend-
14 ed, shall apply to any person admitted or seeking admis-
15 sion to the United States (other than a United States pos-
16 session or territory where such Act does not apply) under
17 the Compact or the Compact, as amended, and nothing
18 in the Compact or the Compact, as amended, shall be con-
19 strued to limit, preclude, or modify the applicability of,
20 with respect to such person:

21 (1) any ground of inadmissibility or deport-
22 ability under such Act (except sections 212(a)(5)
23 and 212(a)(7)(B)(i)(II) of such Act, as provided in
24 subsection (a) of this section), and any defense
25 thereto, provided that, section 237(a)(5) of such Act

1 shall be construed and applied as if it reads as fol-
2 lows: “any alien who has been admitted under the
3 Compact, or the Compact, as amended, who cannot
4 show that he or she has sufficient means of support
5 in the United States, is deportable”;

6 (2) the authority of the Government of the
7 United States under section 214(a)(1) of such Act
8 to provide that admission as a nonimmigrant shall
9 be for such time and under such conditions as the
10 Government of the United States may by regulations
11 prescribe;

12 (3) Except for the treatment of certain docu-
13 mentation for purposes of section 274A(b)(1)(B) of
14 such Act as provided by subsection (d) of this sec-
15 tion of the Compact, as amended, any requirement
16 under section 274A, including but not limited to sec-
17 tion 274A(b)(1)(E);

18 (4) Section 643 of the Illegal Immigration Re-
19 form and Immigrant Responsibility Act of 1996,
20 Public Law 104–208, and actions taken pursuant to
21 section 643; and

22 (5) the authority of the Government of the
23 United States otherwise to administer and enforce
24 the Immigration and Nationality Act, as amended,
25 or other United States law.

1 (g) Any authority possessed by the Government of the
2 United States under this section of the Compact or the
3 Compact, as amended, may also be exercised by the Gov-
4 ernment of a territory or possession of the United States
5 where the Immigration and Nationality Act, as amended,
6 does not apply, to the extent such exercise of authority
7 is lawful under a statute or regulation of such territory
8 or possession that is authorized by the laws of the United
9 States.

10 (h) Subsection (a) of this section does not confer on
11 a citizen of the Federated States of Micronesia the right
12 to establish the residence necessary for naturalization
13 under the Immigration and Nationality Act, as amended,
14 or to petition for benefits for alien relatives under that
15 Act. Subsection (a) of this section, however, shall not pre-
16 vent a citizen of the Federated States of Micronesia from
17 otherwise acquiring such rights or lawful permanent resi-
18 dent alien status in the United States.

19 Section 142

20 (a) Any citizen or national of the United States may
21 be admitted, to lawfully engage in occupations, and reside
22 in the Federated States of Micronesia, subject to the
23 rights of the Government of the Federated States of Mi-
24 cronesia to deny entry to or deport any such citizen or
25 national as an undesirable alien. Any determination of in-

1 admissibility or deportability shall be based on reasonable
2 statutory grounds and shall be subject to appropriate ad-
3 ministrative and judicial review within the Federated
4 States of Micronesia. If a citizen or national of the United
5 States is a spouse of a citizen of the Federated States
6 of Micronesia, the Government of the Federated States of
7 Micronesia shall allow the United States citizen spouse to
8 establish residence. Should the Federated States of Micro-
9 nesia citizen spouse predecease the United States citizen
10 spouse during the marriage, the Government of the Fed-
11 erated States of Micronesia shall allow the United States
12 citizen spouse to continue to reside in the Federated
13 States of Micronesia.

14 (b) In enacting any laws or imposing any require-
15 ments with respect to citizens and nationals of the United
16 States entering the Federated States of Micronesia under
17 subsection (a) of this section, including any grounds of
18 inadmissibility or deportability, the Government of the
19 Federated States of Micronesia shall accord to such citi-
20 zens and nationals of the United States treatment no less
21 favorable than that accorded to citizens of other countries.

22 (c) Consistent with subsection (a) of this section, with
23 respect to citizens and nationals of the United States seek-
24 ing to engage in employment or invest in the Federated
25 States of Micronesia, the Government of the Federated

1 States of Micronesia shall adopt immigration-related pro-
2 cedures no less favorable than those adopted by the Gov-
3 ernment of the United States with respect to citizens of
4 the Federated States of Micronesia seeking employment
5 in the United States.

6 Section 143

7 Any person who relinquishes, or otherwise loses, his
8 United States nationality or citizenship, or his Federated
9 States of Micronesia citizenship, shall be ineligible to re-
10 ceive the privileges set forth in sections 141 and 142. Any
11 such person may apply for admission to the United States
12 or the Federated States of Micronesia, as the case may
13 be, in accordance with any other applicable laws of the
14 United States or the Federated States of Micronesia relat-
15 ing to immigration of aliens from other countries. The
16 laws of the Federated States of Micronesia or the United
17 States, as the case may be, shall dictate the terms and
18 conditions of any such person's stay.

19 Article V

20 Representation

21 Section 151

22 Relations between the Government of the United
23 States and the Government of the Federated States of Mi-
24 cronnesia shall be conducted in accordance with the Vienna
25 Convention on Diplomatic Relations. In addition to diplo-

1 matic missions and representation, the Governments may
2 establish and maintain other offices and designate other
3 representatives on terms and in locations as may be mutu-
4 ally agreed.

5 Section 152

6 (a) Any citizen or national of the United States who,
7 without authority of the United States, acts as the agent
8 of the Government of the Federated States of Micronesia
9 with regard to matters specified in the provisions of the
10 Foreign Agents Registration Act of 1938, as amended (22
11 U.S.C. 611 et seq.), that apply with respect to an agent
12 of a foreign principal shall be subject to the requirements
13 of such Act. Failure to comply with such requirements
14 shall subject such citizen or national to the same penalties
15 and provisions of law as apply in the case of the failure
16 of such an agent of a foreign principal to comply with such
17 requirements. For purposes of the Foreign Agents Reg-
18 istration Act of 1938, the Federated States of Micronesia
19 shall be considered to be a foreign country.

20 (b) Subsection (a) of this section shall not apply to
21 a citizen or national of the United States employed by the
22 Government of the Federated States of Micronesia with
23 respect to whom the Government of the Federated States
24 of Micronesia from time to time certifies to the Govern-
25 ment of the United States that such citizen or national

1 is an employee of the Federated States of Micronesia
2 whose principal duties are other than those matters speci-
3 fied in the Foreign Agents Registration Act of 1938, as
4 amended, that apply with respect to an agent of a foreign
5 principal. The agency or officer of the United States re-
6 ceiving such certifications shall cause them to be filed with
7 the Attorney General, who shall maintain a publicly avail-
8 able list of the persons so certified.

9 Article VI

10 Environmental Protection

11 Section 161

12 The Governments of the United States and the Fed-
13 erated States of Micronesia declare that it is their policy
14 to promote efforts to prevent or eliminate damage to the
15 environment and biosphere and to enrich understanding
16 of the natural resources of the Federated States of Micro-
17 nesia. In order to carry out this policy, the Government
18 of the United States and the Government of the Federated
19 States of Micronesia agree to the following mutual and
20 reciprocal undertakings.

21 (a) The Government of the United States:

22 (1) shall continue to apply the environmental
23 controls in effect on November 2, 1986 to those of
24 its continuing activities subject to section 161(a)(2),

1 unless and until those controls are modified under
2 sections 161(a)(3) and 161(a)(4);

3 (2) shall apply the National Environmental Pol-
4 icy Act of 1969, 83 Stat. 852, 42 U.S.C. 4321 et
5 seq., to its activities under the Compact, as amend-
6 ed, and its related agreements as if the Federated
7 States of Micronesia were the United States;

8 (3) shall comply also, in the conduct of any ac-
9 tivity requiring the preparation of an Environmental
10 Impact Statement under section 161(a)(2), with
11 standards substantively similar to those required by
12 the following laws of the United States, taking into
13 account the particular environment of the Federated
14 States of Micronesia: the Endangered Species Act of
15 1973, as amended, 87 Stat. 884, 16 U.S.C. 1531 et
16 seq.; the Clean Air Act, as amended, 77 Stat. 392,
17 42 U.S.C. Supp. 7401 et seq.; the Clean Water Act
18 (Federal Water Pollution Control Act), as amended,
19 86 Stat. 896, 33 U.S.C. 1251 et seq.; Title I of the
20 Marine Protection, Research and Sanctuaries Act of
21 1972 (the Ocean Dumping Act), 33 U.S.C. 1411 et
22 seq.; the Toxic Substances Control Act, as amended,
23 15 U.S.C. 2601 et seq.; the Solid Waste Disposal
24 Act, as amended, 42 U.S.C. 6901 et seq.; and such
25 other environmental protection laws of the United

1 States and of the Federated States of Micronesia, as
2 may be mutually agreed from time to time with the
3 Government of the Federated States of Micronesia;
4 and

5 (4) shall develop, prior to conducting any activ-
6 ity requiring the preparation of an Environmental
7 Impact Statement under section 161(a)(2), written
8 standards and procedures, as agreed with the Gov-
9 ernment of the Federated States of Micronesia, to
10 implement the substantive provisions of the laws
11 made applicable to U.S. Government activities in the
12 Federated States of Micronesia, pursuant to section
13 161(a)(3).

14 (b) The Government of the Federated States of Mi-
15 cronesia shall continue to develop and implement stand-
16 ards and procedures to protect its environment. As a re-
17 ciprocal obligation to the undertakings of the Government
18 of the United States under this Article, the Federated
19 States of Micronesia, taking into account its particular en-
20 vironment, shall continue to develop and implement stand-
21 ards for environmental protection substantively similar to
22 those required of the Government of the United States by
23 section 161(a)(3) prior to its conducting activities in the
24 Federated States of Micronesia, substantively equivalent
25 to activities conducted there by the Government of the

1 United States and, as a further reciprocal obligation, shall
2 enforce those standards.

3 (c) Section 161(a), including any standard or proce-
4 dure applicable thereunder, and section 161(b) may be
5 modified or superseded in whole or in part by agreement
6 of the Government of the United States and the Govern-
7 ment of the Federated States of Micronesia.

8 (d) In the event that an Environmental Impact State-
9 ment is no longer required under the laws of the United
10 States for major Federal actions significantly affecting the
11 quality of the human environment, the regulatory regime
12 established under sections 161(a)(3) and 161(a)(4) shall
13 continue to apply to such activities of the Government of
14 the United States until amended by mutual agreement.

15 (e) The President of the United States may exempt
16 any of the activities of the Government of the United
17 States under this Compact, as amended, and its related
18 agreements from any environmental standard or proce-
19 dure which may be applicable under sections 161(a)(3)
20 and 161(a)(4) if the President determines it to be in the
21 paramount interest of the Government of the United
22 States to do so, consistent with Title Three of this Com-
23 pact, as amended, and the obligations of the Government
24 of the United States under international law. Prior to any
25 decision pursuant to this subsection, the views of the Gov-

1 ernment of the Federated States of Micronesia shall be
2 sought and considered to the extent practicable. If the
3 President grants such an exemption, to the extent prac-
4 ticable, a report with his reasons for granting such exemp-
5 tion shall be given promptly to the Government of the Fed-
6 erated States of Micronesia.

7 (f) The laws of the United States referred to in sec-
8 tion 161(a)(3) shall apply to the activities of the Govern-
9 ment of the United States under this Compact, as amend-
10 ed, and its related agreements only to the extent provided
11 for in this section.

12 Section 162

13 The Government of the Federated States of Micro-
14 nesia may bring an action for judicial review of any admin-
15 istrative agency action or any activity of the Government
16 of the United States pursuant to section 161(a) for en-
17 forcement of the obligations of the Government of the
18 United States arising thereunder. The United States Dis-
19 trict Court for the District of Hawaii and the United
20 States District Court for the District of Columbia shall
21 have jurisdiction over such action or activity, and over ac-
22 tions brought under section 172(b) which relate to the ac-
23 tivities of the Government of the United States and its
24 officers and employees, governed by section 161, provided
25 that:

1 (a) Such actions may only be civil actions for
2 any appropriate civil relief other than punitive dam-
3 ages against the Government of the United States
4 or, where required by law, its officers in their official
5 capacity; no criminal actions may arise under this
6 section.

7 (b) Actions brought pursuant to this section
8 may be initiated only by the Government of the Fed-
9 erated States of Micronesia.

10 (c) Administrative agency actions arising under
11 section 161 shall be reviewed pursuant to the stand-
12 ard of judicial review set forth in 5 U.S.C. 706.

13 (d) The United States District Court for the
14 District of Hawaii and the United States District
15 Court for the District of Columbia shall have juris-
16 diction to issue all necessary processes, and the Gov-
17 ernment of the United States agrees to submit itself
18 to the jurisdiction of the court; decisions of the
19 United States District Court shall be reviewable in
20 the United States Court of Appeals for the Ninth
21 Circuit or the United States Court of Appeals for
22 the District of Columbia, respectively, or in the
23 United States Supreme Court as provided by the
24 laws of the United States.

1 (e) The judicial remedy provided for in this sec-
2 tion shall be the exclusive remedy for the judicial re-
3 view or enforcement of the obligations of the Gov-
4 ernment of the United States under this Article and
5 actions brought under section 172(b) which relate to
6 the activities of the Government of the United
7 States and its officers and employees governed by
8 section 161.

9 (f) In actions pursuant to this section, the Gov-
10 ernment of the Federated States of Micronesia shall
11 be treated as if it were a United States citizen.

12 Section 163

13 (a) For the purpose of gathering data necessary to
14 study the environmental effects of activities of the Govern-
15 ment of the United States subject to the requirements of
16 this Article, the Government of the Federated States of
17 Micronesia shall be granted access to facilities operated
18 by the Government of the United States in the Federated
19 States of Micronesia, to the extent necessary for this pur-
20 pose, except to the extent such access would unreasonably
21 interfere with the exercise of the authority and responsi-
22 bility of the Government of the United States under Title
23 Three.

24 (b) The Government of the United States, in turn,
25 shall be granted access to the Federated States of Micro-

1 nesia for the purpose of gathering data necessary to dis-
2 charge its obligations under this Article, except to the ex-
3 tent such access would unreasonably interfere with the ex-
4 ercise of the authority and responsibility of the Govern-
5 ment of the Federated States of Micronesia under Title
6 One, and to the extent necessary for this purpose shall
7 be granted access to documents and other information to
8 the same extent similar access is provided the Government
9 of the Federated States of Micronesia under the Freedom
10 of Information Act, 5 U.S.C. 552.

11 (c) The Government of the Federated States of Mi-
12 cronisia shall not impede efforts by the Government of
13 the United States to comply with applicable standards and
14 procedures.

15 Article VII

16 General Legal Provisions

17 Section 171

18 Except as provided in this Compact, as amended, or
19 its related agreements, the application of the laws of the
20 United States to the Trust Territory of the Pacific Islands
21 by virtue of the Trusteeship Agreement ceased with re-
22 spect to the Federated States of Micronesia on November
23 3, 1986, the date the Compact went into effect.

24 Section 172

1 (a) Every citizen of the Federated States of Micro-
2 nesia who is not a resident of the United States shall enjoy
3 the rights and remedies under the laws of the United
4 States enjoyed by any non-resident alien.

5 (b) The Government of the Federated States of Mi-
6 cronesia and every citizen of the Federated States of Mi-
7 cronesia shall be considered to be a “person” within the
8 meaning of the Freedom of Information Act, 5 U.S.C.
9 552, and of the judicial review provisions of the Adminis-
10 trative Procedure Act, 5 U.S.C. 701–706, except that only
11 the Government of the Federated States of Micronesia
12 may seek judicial review under the Administrative Proce-
13 dure Act or judicial enforcement under the Freedom of
14 Information Act when such judicial review or enforcement
15 relates to the activities of the Government of the United
16 States governed by sections 161 and 162.
17 Section 173

18 The Governments of the United States and the Fed-
19 erated States of Micronesia agree to adopt and enforce
20 such measures, consistent with this Compact, as amended,
21 and its related agreements, as may be necessary to protect
22 the personnel, property, installations, services, programs
23 and official archives and documents maintained by the
24 Government of the United States in the Federated States
25 of Micronesia pursuant to this Compact, as amended, and

1 its related agreements and by the Government of the Fed-
2 erated States of Micronesia in the United States pursuant
3 to this Compact, as amended, and its related agreements.
4 Section 174

5 Except as otherwise provided in this Compact, as
6 amended, and its related agreements:

7 (a) The Government of the Federated States of
8 Micronesia, and its agencies and officials, shall be
9 immune from the jurisdiction of the court of the
10 United States, and the Government of the United
11 States, and its agencies and officials, shall be im-
12 mune from the jurisdiction of the courts of the Fed-
13 erated States of Micronesia.

14 (b) The Government of the United States ac-
15 cepts responsibility for and shall pay:

16 (1) any unpaid money judgment rendered
17 by the High Court of the Trust Territory of the
18 Pacific Islands against the Government of the
19 United States with regard to any cause of ac-
20 tion arising as a result of acts or omissions of
21 the Government of the Trust Territory of the
22 Pacific Islands or the Government of the
23 United States prior to November 3, 1986;

24 (2) any claim settled by the claimant and
25 the Government of the Trust Territory of the

1 Pacific Islands but not paid as of the November
2 3, 1986; and

3 (3) settlement of any administrative claim
4 or of any action before a court of the Trust
5 Territory of the Pacific Islands or the Govern-
6 ment of the United States, arising as a result
7 of acts or omissions of the Government of the
8 Trust Territory of the Pacific Islands or the
9 Government of the United States.

10 (c) Any claim not referred to in section 174(b)
11 and arising from an act or omission of the Govern-
12 ment of the Trust Territory of the Pacific Islands or
13 the Government of the United States prior to the ef-
14 fective date of the Compact shall be adjudicated in
15 the same manner as a claim adjudicated according
16 to section 174(d). In any claim against the Govern-
17 ment of the Trust Territory of the Pacific Islands,
18 the Government of the United States shall stand in
19 the place of the Government of the Trust Territory
20 of the Pacific Islands. A judgment on any claim re-
21 ferred to in section 174(b) or this subsection, not
22 otherwise satisfied by the Government of the United
23 States, may be presented for certification to the
24 United States Court of Appeals for the Federal Cir-
25 cuit, or its successor courts, which shall have juris-

1 diction therefore, notwithstanding the provisions of
2 28 U.S.C. 1502, and which court's decisions shall be
3 reviewable as provided by the laws of the United
4 States. The United States Court of Appeals for the
5 Federal Circuit shall certify such judgment, and
6 order payment thereof, unless it finds, after a hear-
7 ing, that such judgment is manifestly erroneous as
8 to law or fact, or manifestly excessive. In either of
9 such cases the United States Court of Appeals for
10 the Federal Circuit shall have jurisdiction to modify
11 such judgment.

12 (d) The Government of the Federated States of
13 Micronesia shall not be immune from the jurisdic-
14 tion of the courts of the United States, and the Gov-
15 ernment of the United States shall not be immune
16 from the jurisdiction of the courts of the Federated
17 States of Micronesia in any civil case in which an ex-
18 ception to foreign state immunity is set forth in the
19 Foreign Sovereign Immunities Act (28 U.S.C. 1602
20 et seq.) or its successor statutes.

21 Section 175

22 (a) A separate agreement, which shall come into ef-
23 fect simultaneously with this Compact, as amended, and
24 shall have the force of law, shall govern mutual assistance
25 and cooperation in law enforcement matters, including the

1 pursuit, capture, imprisonment and extradition of fugi-
2 tives from justice and the transfer of prisoners, as well
3 as other law enforcement matters. In the United States,
4 the laws of the United States governing international ex-
5 tradition, including 18 U.S.C. 3184, 3186 and 3188–95,
6 shall be applicable to the extradition of fugitives under the
7 separate agreement, and the laws of the United States
8 governing the transfer of prisoners, including 18 U.S.C.
9 4100–15, shall be applicable to the transfer of prisoners
10 under the separate agreement; and

11 (b) A separate agreement, which shall come into ef-
12 fect simultaneously with this Compact, as amended, and
13 shall have the force of law, shall govern requirements re-
14 lating to labor recruitment practices, including registra-
15 tion, reporting, suspension or revocation of authorization
16 to recruit persons for employment in the United States,
17 and enforcement for violations of such requirements.

18 Section 176

19 The Government of the Federated States of Micro-
20 nesia confirms that final judgments in civil cases rendered
21 by any court of the Trust Territory of the Pacific Islands
22 shall continue in full force and effect, subject to the con-
23 stitutional power of the courts of the Federated States of
24 Micronesia to grant relief from judgments in appropriate
25 cases.

1 Section 177

2 Section 177 of the Compact entered into force with
3 respect to the Federated States of Micronesia on Novem-
4 ber 3, 1986 as follows:

5 “(a) The Government of the United States ac-
6 cepts the responsibility for compensation owing to
7 citizens of the Marshall Islands, or the Federated
8 States of Micronesia, or (Palau) for loss or damage
9 to property and person of the citizens of the Mar-
10 shall Islands, or the Federated States of Micronesia,
11 resulting from the nuclear testing program which
12 the Government of the United States conducted in
13 the Northern Marshall Islands between June 30,
14 1946, and August 18, 1958.

15 “(b) The Government of the United States and
16 the Government of the Marshall Islands shall set
17 forth in a separate agreement provisions for the just
18 and adequate settlement of all such claims which
19 have arisen in regard to the Marshall Islands and its
20 citizens and which have not as yet been compensated
21 or which in the future may arise, for the continued
22 administration by the Government of the United
23 States of direct radiation related medical surveil-
24 lance and treatment programs and radiological mon-
25 itoring activities and for such additional programs

1 and activities as may be mutually agreed, and for
2 the assumption by the Government of the Marshall
3 Islands of responsibility for enforcement of limita-
4 tions on the utilization of affected areas developed
5 in cooperation with the Government of the United
6 States and for the assistance by the Government of
7 the United States in the exercise of such responsi-
8 bility as may be mutually agreed. This separate
9 agreement shall come into effect simultaneously with
10 this Compact and shall remain in effect in accord-
11 ance with its own terms.

12 “(c) The Government of the United States shall
13 provide to the Government of the Marshall Islands,
14 on a grant basis, the amount of \$150 million to be
15 paid and distributed in accordance with the separate
16 agreement referred to in this Section, and shall pro-
17 vide the services and programs set forth in this sep-
18 arate agreement, the language of which is incor-
19 porated into this Compact.”

20 The Compact, as amended, makes no changes to, and
21 has no effect upon, Section 177 of the Compact, nor does
22 the Compact, as amended, change or affect the separate
23 agreement referred to in Section 177 of the Compact in-
24 cluding Articles IX and X of that separate agreement, and
25 measures taken by the parties thereunder.

1 Section 178

2 (a) The Federal agencies of the Government of the
3 United States that provide the services and related pro-
4 grams in the Federated States of Micronesia pursuant to
5 Title Two are authorized to settle and pay tort claims aris-
6 ing in the Federated States of Micronesia from the activi-
7 ties of such agencies or from the acts or omissions of the
8 employees of such agencies. Except as provided in section
9 178(b), the provisions of 28 U.S.C. 2672 and 31 U.S.C.
10 1304 shall apply exclusively to such administrative settle-
11 ments and payments.

12 (b) Claims under section 178(a) that cannot be set-
13 tled under section 178(a) shall be disposed of exclusively
14 in accordance with Article II of Title Four. Arbitration
15 awards rendered pursuant to this subsection shall be paid
16 out of funds under 31 U.S.C. 1304.

17 (c) The Government of the United States and the
18 Government of the Federated States of Micronesia shall,
19 in the separate agreement referred to in section 231, pro-
20 vide for:

21 (1) the administrative settlement of claims re-
22 ferred to in section 178(a), including designation of
23 local agents in each State of the Federated States
24 of Micronesia; such agents to be empowered to ac-
25 cept, investigate and settle such claims, in a timely

1 manner, as provided in such separate agreements;
2 and

3 (2) arbitration, referred to in section 178(b), in
4 a timely manner, at a site convenient to the claim-
5 ant, in the event a claim is not otherwise settled
6 pursuant to section 178(a).

7 (d) The provisions of section 174(d) shall not apply
8 to claims covered by this section.

9 (e) Except as otherwise explicitly provided by law of
10 the United States, neither the Government of the United
11 States, its instrumentalities, nor any person acting on be-
12 half of the Government of the United States, shall be
13 named a party in any action based on, or arising out of,
14 the activity or activities of a recipient of any grant or other
15 assistance provided by the Government of the United
16 States (or the activity or activities of the recipient's agen-
17 cy or any other person or entity acting on behalf of the
18 recipient).

19 Section 179

20 (a) The courts of the Federated States of Micronesia
21 shall not exercise criminal jurisdiction over the Govern-
22 ment of the United States, or its instrumentalities.

23 (b) The courts of the Federated States of Micronesia
24 shall not exercise criminal jurisdiction over any person if
25 the Government of the United States provides notification

1 to the Government of the Federated States of Micronesia
2 that such person was acting on behalf of the Government
3 of the United States, for actions taken in furtherance of
4 section 221 or 224 of this amended Compact, or any other
5 provision of law authorizing financial, program, or service
6 assistance to the Federated States of Micronesia.

7 TITLE TWO

8 ECONOMIC RELATIONS

9 Article I

10 Grant Assistance

11 Section 211 - Sector Grants

12 (a) In order to assist the Government of the Fed-
13 erated States of Micronesia in its efforts to promote the
14 economic advancement, budgetary self-reliance, and eco-
15 nomic self-sufficiency of its people, and in recognition of
16 the special relationship that exists between the Federated
17 States of Micronesia and the United States, the Govern-
18 ment of the United States shall provide assistance on a
19 sector grant basis for a period of twenty years in the
20 amounts set forth in section 216, commencing on the ef-
21 fective date of this Compact, as amended. Such grants
22 shall be used for assistance in the sectors of education,
23 health care, private sector development, the environment,
24 public sector capacity building, and public infrastructure,
25 or for other sectors as mutually agreed, with priorities in

1 the education and health care sectors. For each year such
2 sector grant assistance is made available, the proposed di-
3 vision of this amount among these sectors shall be certified
4 to the Government of the United States by the Govern-
5 ment of the Federated States of Micronesia and shall be
6 subject to the concurrence of the Government of the
7 United States. In such case, the Government of the United
8 States shall disburse the agreed upon amounts and mon-
9 itor the use of such sector grants in accordance with the
10 provisions of this Article and the Agreement Concerning
11 Procedures for the Implementation of United States Eco-
12 nomic Assistance Provided in the Compact, as Amended,
13 of Free Association Between the Government of the
14 United States of America and the Government of the Fed-
15 erated States of Micronesia (“Fiscal Procedures Agree-
16 ment”) which shall come into effect simultaneously with
17 this Compact, as amended. The provision of any United
18 States assistance under the Compact, as amended, the
19 Fiscal Procedures Agreement, the Trust Fund Agreement,
20 or any other subsidiary agreement to the Compact, as
21 amended, shall constitute “a particular distribution . . .
22 required by the terms or special nature of the assistance”
23 for purposes of Article XII, section 1(b) of the Constitu-
24 tion of the Federated States of Micronesia.

1 (1) EDUCATION.—United States grant assist-
2 ance shall be made available in accordance with the
3 plan described in subsection (c) of this section to
4 support and improve the educational system of the
5 Federated States of Micronesia and develop the
6 human, financial, and material resources necessary
7 for the Government of the Federated States of Mi-
8 cronesia to perform these services. Emphasis should
9 be placed on advancing a quality basic education
10 system.

11 (2) HEALTH.—United States grant assistance
12 shall be made available in accordance with the plan
13 described in subsection (c) of this section to support
14 and improve the delivery of preventive, curative and
15 environmental care and develop the human, finan-
16 cial, and material resources necessary for the Gov-
17 ernment of the Federated States of Micronesia to
18 perform these services.

19 (3) PRIVATE SECTOR DEVELOPMENT.—United
20 States grant assistance shall be made available in
21 accordance with the plan described in subsection (c)
22 of this section to support the efforts of the Govern-
23 ment of the Federated States of Micronesia to at-
24 tract foreign investment and increase indigenous
25 business activity by vitalizing the commercial envi-

1 ronment, ensuring fair and equitable application of
2 the law, promoting adherence to core labor stand-
3 ards, and maintaining progress toward privatization
4 of state-owned and partially state-owned enterprises,
5 and engaging in other reforms.

6 (4) CAPACITY BUILDING IN THE PUBLIC SEC-
7 TOR.—United States grant assistance shall be made
8 available in accordance with the plan described in
9 subsection (c) of this section to support the efforts
10 of the Government of the Federated States of Micro-
11 nesia to build effective, accountable and transparent
12 national, state, and local government and other pub-
13 lic sector institutions and systems.

14 (5) ENVIRONMENT.—United States grant as-
15 sistance shall be made available in accordance with
16 the plan described in subsection (c) of this section
17 to increase environmental protection; conserve and
18 achieve sustainable use of natural resources; and en-
19 gage in environmental infrastructure planning, de-
20 sign construction and operation.

21 (6) PUBLIC INFRASTRUCTURE.—

22 (i) U.S. annual grant assistance shall be
23 made available in accordance with a list of spe-
24 cific projects included in the plan described in
25 subsection (c) of this section to assist the Gov-

1 ernment of the Federated States of Micronesia
2 in its efforts to provide adequate public infra-
3 structure.

4 (ii) INFRASTRUCTURE AND MAINTENANCE
5 FUND.—Five percent of the annual public in-
6 frastructure grant made available under para-
7 graph (i) of this subsection shall be set aside,
8 with an equal contribution from the Govern-
9 ment of the Federated States of Micronesia, as
10 a contribution to an Infrastructure Maintenance
11 Fund (IMF). Administration of the Infrastruc-
12 ture Maintenance Fund shall be governed by
13 the Fiscal Procedures Agreement.

14 (b) HUMANITARIAN ASSISTANCE.—Federated States
15 of Micronesia Program. In recognition of the special devel-
16 opment needs of the Federated States of Micronesia, the
17 Government of the United States shall make available to
18 the Government of the Federated States of Micronesia, on
19 its request and to be deducted from the grant amount
20 made available under subsection (a) of this section, a Hu-
21 manitarian Assistance - Federated States of Micronesia
22 (“HAFSM”) Program with emphasis on health, edu-
23 cation, and infrastructure (including transportation),
24 projects. The terms and conditions of the HAFSM shall
25 be set forth in the Agreement Regarding the Military Use

1 and Operating Rights of the Government of the United
2 States in the Government of the Federated States of Mi-
3 cronesia Concluded Pursuant to Sections 321 and 323 of
4 the Compact of Free Association, as Amended which shall
5 come into effect simultaneously with the amendments to
6 this Compact.

7 (c) DEVELOPMENT PLAN.—The Government of the
8 Federated States of Micronesia shall prepare and main-
9 tain an official overall development plan. The plan shall
10 be strategic in nature, shall be continuously reviewed and
11 updated through the annual budget process, and shall
12 make projections on a multi-year rolling basis. Each of
13 the sectors named in subsection (a) of this section, or
14 other sectors as mutually agreed, shall be accorded specific
15 treatment in the plan. Insofar as grants funds are in-
16 volved, the plan shall be subject to the concurrence of the
17 Government of the United States.

18 (d) DISASTER ASSISTANCE EMERGENCY FUND.—An
19 amount of two hundred thousand dollars (\$200,000) shall
20 be provided annually, with an equal contribution from the
21 Government of the Federated States of Micronesia, as a
22 contribution to a “Disaster Assistance Emergency Fund
23 (DAEF).” Any funds from the DAEF may be used only
24 for assistance and rehabilitation resulting from disasters
25 and emergencies. The funds will be accessed upon declara-

1 tion by the Government of the Federated States of Micro-
2 nesia, with the concurrence of the United States Chief of
3 Mission to the Federated States of Micronesia. The Ad-
4 ministration of the DAEF shall be governed by the Fiscal
5 Procedures Agreement.

6 Section 212 - Accountability.

7 (a) Regulations and policies normally applicable to
8 United States financial assistance to its state and local
9 governments, as reflected in the Fiscal Procedures Agree-
10 ment, shall apply to each sector grant described in section
11 211, and to grants administered under section 221 below,
12 except as modified in the separate agreements referred to
13 in section 231 of this Compact, as amended, or by United
14 States law. The Government of the United States, after
15 annual consultations with the Federated States of Micro-
16 nesia, may attach reasonable terms and conditions, includ-
17 ing annual performance indicators that are necessary to
18 ensure effective use of United States assistance and rea-
19 sonable progress toward achieving program objectives. The
20 Government of the United States may seek appropriate
21 remedies for noncompliance with the terms and conditions
22 attached to the assistance, or for failure to comply with
23 section 234, including withholding assistance.

24 (b) The Government of the United States shall, for
25 each fiscal year of the twenty years during which assist-

1 ance is to be provided on a sector grant basis under sec-
2 tion 211, grant the Government of the Federated States
3 of Micronesia an amount equal to the lesser of (i) one half
4 of the reasonable, properly documented cost incurred dur-
5 ing each fiscal year to conduct the annual audit required
6 under Article VIII (2) of the Fiscal Procedures Agreement
7 or (ii) \$500,000. Such amount will not be adjusted for
8 inflation under section 217 or otherwise.

9 Section 213 - Joint Economic Management Committee

10 The Governments of the United States and the Fed-
11 erated States of Micronesia shall establish a Joint Eco-
12 nomic Management Committee, composed of a U.S. chair,
13 two other members from the Government of the United
14 States and two members from the Government of the Fed-
15 erated States of Micronesia. The Joint Economic Manage-
16 ment Committee shall meet at least once each year to re-
17 view the audits and reports required under this Title,
18 evaluate the progress made by the Federated States of Mi-
19 cronesia in meeting the objectives identified in its plan de-
20 scribed in subsection (c) of section 211, with particular
21 focus on those parts of the plan dealing with the sectors
22 identified in section subsection (a) of section 211, identify
23 problems encountered, and recommend ways to increase
24 the effectiveness of U.S. assistance made available under
25 this Title. The establishment and operations of the Joint

1 Economic Management Committee shall be governed by
2 the Fiscal Procedures Agreement.

3 Section 214 - Annual Report

4 The Government of the Federated States of Micro-
5 nesia shall report annually to the President of the United
6 States on the use of United States sector grant assistance
7 and other assistance and progress in meeting mutually
8 agreed program and economic goals. The Joint Economic
9 Management Committee shall review and comment on the
10 report and make appropriate recommendations based
11 thereon.

12 Section 215 - Trust Fund

13 (a) The United States shall contribute annually for
14 twenty years from the effective date of this Compact, as
15 amended, in the amounts set forth in section 216 into a
16 Trust Fund established in accordance with the Agreement
17 Between the Government of the United States of America
18 and the Government of the Federated States of Micronesia
19 Implementing Section 215 and Section 216 of the Com-
20 pact, as Amended, Regarding a Trust Fund ("Trust Fund
21 Agreement"). Upon termination of the annual financial
22 assistance under section 211, the proceeds of the fund
23 shall thereafter be used for the purposes described in sec-
24 tion 211 or as otherwise mutually agreed.

1 (b) The United States contribution into the Trust
2 Fund described in subsection(a) of this section is condi-
3 tioned on the Government of the Federated States of Mi-
4 cronesia contributing to the Trust Fund at least \$30 mil-
5 lion, prior to September 30, 2004. Any funds received by
6 the Federated States of Micronesia under section 111 (d)
7 of Public Law 99-239 (January 14, 1986), or successor
8 provisions, would be contributed to the Trust Fund as a
9 Federated States of Micronesia contribution.

10 (c) The terms regarding the investment and manage-
11 ment of funds and use of the income of the Trust Fund
12 shall be set forth in the separate Trust Fund Agreement
13 described in subsection (a) of this section. Funds derived
14 from United States investment shall not be subject to Fed-
15 eral or state taxes in the United States or the Federated
16 States of Micronesia. The Trust Fund Agreement shall
17 also provide for annual reports to the Government of the
18 United States and to the Government of the Federated
19 States of Micronesia. The Trust Fund Agreement shall
20 provide for appropriate distributions of trust fund pro-
21 ceeds to the Federated States of Micronesia and for appro-
22 priate remedies for the failure of the Federated States of
23 Micronesia to use income of the Trust Fund for the an-
24 nual grant purposes set forth in section 211. These rem-
25 edies may include the return to the United States of the

1 present market value of its contributions to the Trust
 2 Fund and the present market value of any undistributed
 3 income on the contributions of the United States. If this
 4 Compact, as amended, is terminated, the provisions of sec-
 5 tions 451 through 453 of this Compact, as amended, shall
 6 govern treatment of any U.S. contributions to the Trust
 7 Fund or accrued interest thereon.

8 Section 216 - Sector Grant Funding and Trust Fund Con-
 9 tributions

10 The funds described in sections 211, 212(b) and 215
 11 shall be made available as follows:

[In millions of dollars]

Fiscal year	Annual Grants Section 211	Audit Grant Section 212(b) (amount up to)	Trust Fund Section 215	Total
2004	76.2	.5	16	92.7
2005	76.2	.5	16	92.7
2006	76.2	.5	16	92.7
2007	75.4	.5	16.8	92.7
2008	74.6	.5	17.6	92.7
2009	73.8	.5	18.4	92.7
2010	73	.5	19.2	92.7
2011	72.2	.5	20	92.7
2012	71.4	.5	20.8	92.7
2013	70.6	.5	21.6	92.7
2014	69.8	.5	22.4	92.7
2015	69	.5	23.2	92.7
2016	68.2	.5	24	92.7
2017	67.4	.5	24.8	92.7
2018	66.6	.5	25.6	92.7
2019	65.8	.5	26.4	92.7
2020	65	.5	27.2	92.7
2021	64.2	.5	28	92.7
2022	63.4	.5	28.8	92.7
2023	62.6	.5	29.6	92.7

12 Section 217 - Inflation Adjustment

13 Except for the amounts provided for audits under
 14 section 212(b), the amounts stated in this Title shall be
 15 adjusted for each United States Fiscal Year by the percent
 16 that equals two-thirds of the percent change in the United

1 States Gross Domestic Product Implicit Price Deflator, or
2 5 percent, whichever is less in any one year, using the
3 beginning of Fiscal Year 2004 as a base.

4 Section 218 - Carry-Over of Unused Funds

5 If in any year the funds made available by the Gov-
6 ernment of the United States for that year pursuant to
7 this Article are not completely obligated by the Govern-
8 ment of the Federated States of Micronesia, the unobli-
9 gated balances shall remain available in addition to the
10 funds to be provided in subsequent years.

11 Article II

12 Services and Program Assistance

13 Section 221

14 (a) SERVICES.—The Government of the United
15 States shall make available to the Federated States of Mi-
16 cronesia, in accordance with and to the extent provided
17 in the Federal Programs and Services Agreement referred
18 to in section 231, the services and related programs of:

19 (1) the United States Weather Service;

20 (2) the United States Postal Service;

21 (3) the United States Federal Aviation Admin-
22 istration;

23 (4) the United States Department of Transpor-
24 tation;

1 (5) the Federal Deposit Insurance Corporation
2 (for the benefit only of the Bank of the Federated
3 States of Micronesia), and

4 (6) the Department of Homeland Security, and
5 the United States Agency for International Develop-
6 ment, Office of Foreign Disaster Assistance.

7 Upon the effective date of this Compact, as amended, the
8 United States Departments and Agencies named or having
9 responsibility to provide these services and related pro-
10 grams shall have the authority to implement the relevant
11 provisions of the Federal Programs and Services Agree-
12 ment referred to in section 231.

13 (b) PROGRAMS.—

14 (1) With the exception of the services and pro-
15 grams covered by subsection (a) of this section, and
16 unless the Congress of the United States provides
17 otherwise, the Government of the United States
18 shall make available to the Federated States of Mi-
19 cronesia the services and programs that were avail-
20 able to the Federated States of Micronesia on the ef-
21 fective date of this Compact, as amended, to the ex-
22 tent that such services and programs continue to be
23 available to State and local governments of the
24 United States. As set forth in the Fiscal Procedures
25 Agreement, funds provided under subsection (a) of

1 section 211 will be considered to be local revenues
2 of the Government of the Federated States of Micro-
3 nesia when used as the local share required to obtain
4 Federal programs and services.

5 (2) Unless provided otherwise by U.S. law, the
6 services and programs described in paragraph (1) of
7 this subsection shall be extended in accordance with
8 the terms of the Federal Programs and Services
9 Agreement referred to in section 231.

10 (c) The Government of the United States shall have
11 and exercise such authority as is necessary to carry out
12 its responsibilities under this Title and the separate agree-
13 ments referred to in amended section 231, including the
14 authority to monitor and administer all service and pro-
15 gram assistance provided by the United States to the Fed-
16 erated States of Micronesia. The Federal Programs and
17 Services Agreement referred to in amended section 231
18 shall also set forth the extent to which services and pro-
19 grams shall be provided to the Federated States of Micro-
20 nesia.

21 (d) Except as provided elsewhere in this Compact, as
22 amended, under any separate agreement entered into
23 under this Compact, as amended, or otherwise under U.S.
24 law, all Federal domestic programs extended to or oper-
25 ating in the Federated States of Micronesia shall be sub-

1 ject to all applicable criteria, standards, reporting require-
2 ments, auditing procedures, and other rules and regula-
3 tions applicable to such programs and services when oper-
4 ating in the United States.

5 (e) The Government of the United States shall make
6 available to the Federated States of Micronesia alternate
7 energy development projects, studies, and conservation
8 measures to the extent provided for the Freely Associated
9 States in the laws of the United States.

10 Section 222

11 The Government of the United States and the Gov-
12 ernment of the Federated States of Micronesia may agree
13 from time to time to extend to the Federated States of
14 Micronesia additional United States grant assistance,
15 services and programs, as provided under the laws of the
16 United States. Unless inconsistent with such laws, or oth-
17 erwise specifically precluded by the Government of the
18 United States at the time such additional grant assistance,
19 services, or programs are extended, the Federal Programs
20 and Services Agreement referred to section 231 shall apply
21 to any such assistance, services or programs.

22 Section 223

23 The Government of the Federated States of Micro-
24 nesia shall make available to the Government of the
25 United States at no cost such land as may be necessary

1 for the operations of the services and programs provided
2 pursuant to this Article, and such facilities as are provided
3 by the Government of the Federated States of Micronesia
4 at no cost to the Government of the United States as of
5 the effective date of this Compact, as amended, or as may
6 be mutually agreed thereafter.

7 Section 224

8 The Government of the Federated States of Micro-
9 nesia may request, from time to time, technical assistance
10 from the Federal agencies and institutions of the Govern-
11 ment of the United States, which are authorized to grant
12 such technical assistance in accordance with its laws. If
13 technical assistance is granted pursuant to such a request,
14 the Government of the United States shall provide the
15 technical assistance in a manner which gives priority con-
16 sideration to the Federated States of Micronesia over
17 other recipients not a part of the United States, its terri-
18 tories or possessions, and equivalent consideration to the
19 Federated States of Micronesia with respect to other
20 states in Free Association with the United States. Such
21 assistance shall be made available on a reimbursable or
22 non-reimbursable basis to the extent provided by United
23 States law.

1

Article III

2

Administrative Provisions

3 Section 231

4 The specific nature, extent and contractual arrange-
5 ments of the services and programs provided for in section
6 221 of this Compact, as amended, as well as the legal sta-
7 tus of agencies of the Government of the United States,
8 their civilian employees and contractors, and the depend-
9 ents of such personnel while present in the Federated
10 States of Micronesia, and other arrangements in connec-
11 tion with the assistance, services, or programs furnished
12 by the Government of the United States, are set forth in
13 a Federal Programs and Services Agreement which shall
14 come into effect simultaneously with this Compact, as
15 amended.

16 Section 232

17 The Government of the United States, in consultation
18 with the Government of the Federated States of Micro-
19 nesia, shall determine and implement procedures for the
20 periodic audit of all grants and other assistance made
21 under Article I of this Title and of all funds expended for
22 the services and programs provided under Article II of this
23 Title. Further, in accordance with the Fiscal Procedures
24 Agreement described in subsection (a) of section 211, the
25 Comptroller General of the United States shall have such

1 powers and authorities as described in sections 102 (c)
2 and 110 (c) of Public Law 99–239, 99 Stat. 1777–78,
3 and 99 Stat. 1799 (January 14, 1986).

4 Section 233

5 Approval of this Compact, as amended, by the Gov-
6 ernment of the United States, in accordance with its con-
7 stitutional processes, shall constitute a pledge by the
8 United States that the sums and amounts specified as sec-
9 tor grants in section 211 of this Compact, as amended,
10 shall be appropriated and paid to the Federated States
11 of Micronesia for such period as those provisions of this
12 Compact, as amended, remain in force, subject to the
13 terms and conditions of this Title and related subsidiary
14 agreements.

15 Section 234

16 The Government of the Federated States of Micro-
17 nesia pledges to cooperate with, permit, and assist if rea-
18 sonably requested, designated and authorized representa-
19 tives of the Government of the United States charged with
20 investigating whether Compact funds, or any other assist-
21 ance authorized under this Compact, as amended, have,
22 or are being, used for purposes other than those set forth
23 in this Compact, as amended, or its subsidiary agree-
24 ments. In carrying out this investigative authority, such
25 United States Government representatives may request

1 that the Government of the Federated States of Micro-
2 nesia subpoena documents and records and compel testi-
3 mony in accordance with the laws and Constitution of the
4 Federated States of Micronesia. Such assistance by the
5 Government of the Federated States of Micronesia to the
6 Government of the United States shall not be unreason-
7 ably withheld. The obligation of the Government of the
8 Federated States of Micronesia to fulfill its pledge herein
9 is a condition to its receiving payment of such funds or
10 other assistance authorized under this Compact, as
11 amended. The Government of the United States shall pay
12 any reasonable costs for extraordinary services executed
13 by the Government of the Federated States of Micronesia
14 in carrying out the provisions of this section.

15 Article IV

16 Trade

17 Section 241

18 The Federated States of Micronesia is not included
19 in the customs territory of the United States.

20 Section 242

21 The President shall proclaim the following tariff
22 treatment for articles imported from the Federated States
23 of Micronesia which shall apply during the period of effec-
24 tiveness of this title:

1 (a) Unless otherwise excluded, articles imported
2 from the Federated States of Micronesia, subject to
3 the limitations imposed under section 503(b) of title
4 V of the Trade Act of 1974 (19 U.S.C. 2463(b)),
5 shall be exempt from duty.

6 (b) Only tuna in airtight containers provided
7 for in heading 1604.14.22 of the Harmonized Tariff
8 Schedule of the United States that is imported from
9 the Federated States of Micronesia and the Republic
10 of the Marshall Islands during any calendar year not
11 to exceed 10 percent of apparent United States con-
12 sumption of tuna in airtight containers during the
13 immediately preceding calendar year, as reported by
14 the National Marine Fisheries Service, shall be ex-
15 empt from duty; but the quantity of tuna given
16 duty-free treatment under this paragraph for any
17 calendar year shall be counted against the aggre-
18 gated quantity of tuna in airtight containers that is
19 dutiable under rate column numbered 1 of such
20 heading 1604.14.22 for that calendar year.

21 (c) The duty-free treatment provided under
22 subsection (a) shall not apply to—

23 (1) watches, clocks, and timing apparatus
24 provided for in Chapter 91, excluding heading

1 9113, of the Harmonized Tariff Schedule of the
2 United States;

3 (2) buttons (whether finished or not fin-
4 ished) provided for in items 9606.21.40 and
5 9606.29.20 of such Schedule;

6 (3) textile and apparel articles which are
7 subject to textile agreements; and

8 (4) footwear, handbags, luggage, flat
9 goods, work gloves, and leather wearing apparel
10 which were not eligible articles for purposes of
11 title V of the Trade Act of 1974 (19 U.S.C.
12 2461, et seq.) on April 1, 1984.

13 (d) If the cost or value of materials produced
14 in the customs territory of the United States is in-
15 cluded with respect to an eligible article which is a
16 product of the Federated States of Micronesia, an
17 amount not to exceed 15 percent of the appraised
18 value of the article at the time it is entered that is
19 attributable to such United States cost or value may
20 be applied for duty assessment purposes toward de-
21 termining the percentage referred to in section
22 503(a)(2) of title V of the Trade Act of 1974.

23 Section 243

24 Articles imported from the Federated States of Mi-
25 cronesia which are not exempt from duty under sub-

1 sections (a), (b), (c), and (d) of section 242 shall be sub-
2 ject to the rates of duty set forth in column numbered
3 1-general of the Harmonized Tariff Schedule of the
4 United States (HTSUS).

5 Section 244

6 (a) All products of the United States imported into
7 the Federated States of Micronesia shall receive treatment
8 no less favorable than that accorded like products of any
9 foreign country with respect to customs duties or charges
10 of a similar nature and with respect to laws and regula-
11 tions relating to importation, exportation, taxation, sale,
12 distribution, storage or use.

13 (b) The provisions of subsection (a) shall not apply
14 to advantages accorded by the Federated States of Micro-
15 nesia by virtue of their full membership in the Pacific Is-
16 land Countries Trade Agreement (PICTA), done on Au-
17 gust 18, 2001, to those governments listed in Article 26
18 of PICTA, as of the date the Compact, as amended, is
19 signed.

20 (c) Prior to entering into consultations on, or con-
21 cluding, a free trade agreement with governments not list-
22 ed in Article 26 of PICTA, the Federated States of Micro-
23 nesia shall consult with the United States regarding
24 whether or how subsection (a) of section 244 shall be ap-
25 plied.

1 Article V

2 Finance and Taxation

3 Section 251

4 The currency of the United States is the official cir-
5 culating legal tender of the Federated States of Micro-
6 nesia. Should the Government of the Federated States of
7 Micronesia act to institute another currency, the terms of
8 an appropriate currency transitional period shall be as
9 agreed with the Government of the United States.

10 Section 252

11 The Government of the Federated States of Micro-
12 nesia may, with respect to United States persons, tax in-
13 come derived from sources within its respective jurisdic-
14 tion, property situated therein, including transfers of such
15 property by gift or at death, and products consumed there-
16 in, in such manner as the Government of the Federated
17 States of Micronesia deems appropriate. The determina-
18 tion of the source of any income, or the situs of any prop-
19 erty, shall for purposes of this Compact be made according
20 to the United States Internal Revenue Code.

21 Section 253

22 A citizen of the Federated States of Micronesia, dom-
23 icated therein, shall be exempt from estate, gift, and gen-
24 eration-skipping transfer taxes imposed by the Govern-
25 ment of the United States, provided that such citizen of

1 the Federated States of Micronesia is neither a citizen nor
2 a resident of the United States.

3 Section 254

4 (a) In determining any income tax imposed by the
5 Government of the Federated States of Micronesia, the
6 Government of the Federated States of Micronesia shall
7 have authority to impose tax upon income derived by a
8 resident of the Federated States of Micronesia from
9 sources without the Federated States of Micronesia, in the
10 same manner and to the same extent as the Government
11 of the Federated States of Micronesia imposes tax upon
12 income derived from within its own jurisdiction. If the
13 Government of the Federated States of Micronesia exer-
14 cises such authority as provided in this subsection, any
15 individual resident of the Federated States of Micronesia
16 who is subject to tax by the Government of the United
17 States on income which is also taxed by the Government
18 of the Federated States of Micronesia shall be relieved of
19 liability to the Government of the United States for the
20 tax which, but for this subsection, would otherwise be im-
21 posed by the Government of the United States on such
22 income. However, the relief from liability to the United
23 States Government referred to in the preceding sentence
24 means only relief in the form of the foreign tax credit (or
25 deduction in lieu thereof) available with respect to the in-

1 come taxes of a possession of the United States, and relief
2 in the form of the exclusion under section 911 of the Inter-
3 nal Revenue Code of 1986. For purposes of this section,
4 the term “resident of the Federated States of Micronesia”
5 shall be deemed to include any person who was physically
6 present in the Federated States of Micronesia for a period
7 of 183 or more days during any taxable year.

8 (b) If the Government of the Federated States of Mi-
9 cronesia subjects income to taxation substantially similar
10 to that imposed by the Trust Territory Code in effect on
11 January 1, 1980, such Government shall be deemed to
12 have exercised the authority described in section 254(a).
13 Section 255

14 For purposes of section 274(h)(3)(A) of the United
15 States Internal Revenue Code of 1986, the term “North
16 American Area” shall include the Federated States of Mi-
17 cronesia.

18 TITLE THREE

19 SECURITY AND DEFENSE RELATIONS

20 Article I

21 Authority and Responsibility

22 Section 311

23 (a) The Government of the United States has full au-
24 thority and responsibility for security and defense matters
25 in or relating to the Federated States of Micronesia.

1 (b) This authority and responsibility includes:

2 (1) the obligation to defend the Federated
3 States of Micronesia and its people from attack or
4 threats thereof as the United States and its citizens
5 are defended;

6 (2) the option to foreclose access to or use of
7 the Federated States of Micronesia by military per-
8 sonnel or for the military purposes of any third
9 country; and

10 (3) the option to establish and use military
11 areas and facilities in the Federated States of Micro-
12 nesia, subject to the terms of the separate agree-
13 ments referred to in sections 321 and 323.

14 (c) The Government of the United States confirms
15 that it shall act in accordance with the principles of inter-
16 national law and the Charter of the United Nations in the
17 exercise of this authority and responsibility.

18 Section 312

19 Subject to the terms of any agreements negotiated
20 in accordance with sections 321 and 323, the Government
21 of the United States may conduct within the lands, waters
22 and airspace of the Federated States of Micronesia the
23 activities and operations necessary for the exercise of its
24 authority and responsibility under this Title.

25 Section 313

1 (a) The Government of the Federated States of Mi-
2 cronesia shall refrain from actions that the Government
3 of the United States determines, after appropriate con-
4 sultation with that Government, to be incompatible with
5 its authority and responsibility for security and defense
6 matters in or relating to the Federated States of Micro-
7 nesia.

8 (b) The consultations referred to in this section shall
9 be conducted expeditiously at senior levels of the two Gov-
10 ernments, and the subsequent determination by the Gov-
11 ernment of the United States referred to in this section
12 shall be made only at senior interagency levels of the Gov-
13 ernment of the United States.

14 (c) The Government of the Federated States of Mi-
15 cronesia shall be afforded, on an expeditious basis, an op-
16 portunity to raise its concerns with the United States Sec-
17 retary of State personally and the United States Secretary
18 of Defense personally regarding any determination made
19 in accordance with this section.

20 Section 314

21 (a) Unless otherwise agreed, the Government of the
22 United States shall not, in the Federated States of Micro-
23 nesia:

1 (1) test by detonation or dispose of any nuclear
2 weapon, nor test, dispose of, or discharge any toxic
3 chemical or biological weapon; or

4 (2) test, dispose of, or discharge any other ra-
5 dioactive, toxic chemical or biological materials in an
6 amount or manner which would be hazardous to
7 public health or safety.

8 (b) Unless otherwise agreed, other than for transit
9 or overflight purposes or during time of a national emer-
10 gency declared by the President of the United States, a
11 state of war declared by the Congress of the United States
12 or as necessary to defend against an actual or impending
13 armed attack on the United States, the Federated States
14 of Micronesia or the Republic of the Marshall Islands, the
15 Government of the United States shall not store in the
16 Federated States of Micronesia or the Republic of the
17 Marshall Islands any toxic chemical weapon, nor any ra-
18 dioactive materials nor any toxic chemical materials in-
19 tended for weapons use.

20 (c) Radioactive, toxic chemical, or biological materials
21 not intended for weapons use shall not be affected by sec-
22 tion 314(b).

23 (d) No material or substance referred to in this sec-
24 tion shall be stored in the Federated States of Micronesia
25 except in an amount and manner which would not be haz-

1 ardous to public health or safety. In determining what
2 shall be an amount or manner which would be hazardous
3 to public health or safety under this section, the Govern-
4 ment of the United States shall comply with any applicable
5 mutual agreement, international guidelines accepted by
6 the Government of the United States, and the laws of the
7 United States and their implementing regulations.

8 (e) Any exercise of the exemption authority set forth
9 in section 161(e) shall have no effect on the obligations
10 of the Government of the United States under this section
11 or on the application of this subsection.

12 (f) The provisions of this section shall apply in the
13 areas in which the Government of the Federated States
14 of Micronesia exercises jurisdiction over the living re-
15 sources of the seabed, subsoil or water column adjacent
16 to its coasts.

17 Section 315

18 The Government of the United States may invite
19 members of the armed forces of other countries to use
20 military areas and facilities in the Federated States of Mi-
21 cronesia, in conjunction with and under the control of
22 United States Armed Forces. Use by units of the armed
23 forces of other countries of such military areas and facili-
24 ties, other than for transit and overflight purposes, shall
25 be subject to consultation with and, in the case of major

1 units, approval of the Government of the Federated States
2 of Micronesia.

3 Section 316

4 The authority and responsibility of the Government
5 of the United States under this Title may not be trans-
6 ferred or otherwise assigned.

7 Article II

8 Defense Facilities and Operating Rights

9 Section 321

10 (a) Specific arrangements for the establishment and
11 use by the Government of the United States of military
12 areas and facilities in the Federated States of Micronesia
13 are set forth in separate agreements, which shall remain
14 in effect in accordance with the terms of such agreements.

15 (b) If, in the exercise of its authority and responsi-
16 bility under this Title, the Government of the United
17 States requires the use of areas within the Federated
18 States of Micronesia in addition to those for which specific
19 arrangements are concluded pursuant to section 321(a),
20 it may request the Government of the Federated States
21 of Micronesia to satisfy those requirements through leases
22 or other arrangements. The Government of the Federated
23 States of Micronesia shall sympathetically consider any
24 such request and shall establish suitable procedures to dis-

1 cuss it with and provide a prompt response to the Govern-
2 ment of the United States.

3 (c) The Government of the United States recognizes
4 and respects the scarcity and special importance of land
5 in the Federated States of Micronesia. In making any re-
6 quests pursuant to section 321(b), the Government of the
7 United States shall follow the policy of requesting the min-
8 imum area necessary to accomplish the required security
9 and defense purpose, of requesting only the minimum in-
10 terest in real property necessary to support such purpose,
11 and of requesting first to satisfy its requirement through
12 public real property, where available, rather than through
13 private real property.

14 Section 322

15 The Government of the United States shall provide
16 and maintain fixed and floating aids to navigation in the
17 Federated States of Micronesia at least to the extent nec-
18 essary for the exercise of its authority and responsibility
19 under this Title.

20 Section 323

21 The military operating rights of the Government of
22 the United States and the legal status and contractual ar-
23 rangements of the United States Armed Forces, their
24 members, and associated civilians, while present in the
25 Federated States of Micronesia are set forth in separate

1 agreements, which shall remain in effect in accordance
2 with the terms of such agreements.

3 Article III

4 Defense Treaties and International Security Agreements
5 Section 331

6 Subject to the terms of this Compact, as amended,
7 and its related agreements, the Government of the United
8 States, exclusively, has assumed and enjoys, as to the Fed-
9 erated States of Micronesia, all obligations, responsibil-
10 ities, rights and benefits of:

11 (a) Any defense treaty or other international security
12 agreement applied by the Government of the United
13 States as Administering Authority of the Trust Territory
14 of the Pacific Islands as of November 2, 1986.

15 (b) Any defense treaty or other international security
16 agreement to which the Government of the United States
17 is or may become a party which it determines to be appli-
18 cable in the Federated States of Micronesia. Such a deter-
19 mination by the Government of the United States shall
20 be preceded by appropriate consultation with the Govern-
21 ment of the Federated States of Micronesia.

22 Article IV

23 Service in Armed Forces of the United States

24 Section 341

1 Any person entitled to the privileges set forth in Sec-
2 tion 141 (with the exception of any person described in
3 section 141(a)(5) who is not a citizen of the Federated
4 States of Micronesia) shall be eligible to volunteer for serv-
5 ice in the Armed Forces of the United States, but shall
6 not be subject to involuntary induction into military serv-
7 ice of the United States as long as such person has resided
8 in the United States for a period of less than one year,
9 provided that no time shall count towards this one year
10 while a person admitted to the United States under the
11 Compact, or the Compact, as amended, is engaged in full-
12 time study in the United States. Any person described in
13 section 141(a)(5) who is not a citizen of the Federated
14 States of Micronesia shall be subject to United States laws
15 relating to selective service.

16 Section 342

17 The Government of the United States shall have en-
18 rolled, at any one time, at least one qualified student from
19 the Federated States of Micronesia, as may be nominated
20 by the Government of the Federated States of Micronesia,
21 in each of:

22 (a) The United States Coast Guard Academy pursu-
23 ant to 14 U.S.C. 195.

24 (b) The United States Merchant Marine Academy
25 pursuant to 46 U.S.C. 1295(b)(6), provided that the pro-

1 visions of 46 U.S.C. 1295b(b)(6)(C) shall not apply to the
2 enrollment of students pursuant to section 342(b) of this
3 Compact, as amended.

4 Article V

5 General Provisions

6 Section 351

7 (a) The Government of the United States and the
8 Government of the Federated States of Micronesia shall
9 continue to maintain a Joint Committee empowered to
10 consider disputes arising under the implementation of this
11 Title and its related agreements.

12 (b) The membership of the Joint Committee shall
13 comprise selected senior officials of the two Governments.
14 The senior United States military commander in the Pa-
15 cific area shall be the senior United States member of the
16 Joint Committee. For the meetings of the Joint Com-
17 mittee, each of the two Governments may designate addi-
18 tional or alternate representatives as appropriate for the
19 subject matter under consideration.

20 (c) Unless otherwise mutually agreed, the Joint Com-
21 mittee shall meet annually at a time and place to be des-
22 ignated, after appropriate consultation, by the Govern-
23 ment of the United States. The Joint Committee also shall
24 meet promptly upon request of either of its members. The
25 Joint Committee shall follow such procedures, including

1 the establishment of functional subcommittees, as the
2 members may from time to time agree. Upon notification
3 by the Government of the United States, the Joint Com-
4 mittee of the United States and the Federated States of
5 Micronesia shall meet promptly in a combined session with
6 the Joint Committee established and maintained by the
7 Government of the United States and the Republic of the
8 Marshall Islands to consider matters within the jurisdic-
9 tion of the two Joint Committees.

10 (d) Unresolved issues in the Joint Committee shall
11 be referred to the Governments for resolution, and the
12 Government of the Federated States of Micronesia shall
13 be afforded, on an expeditious basis, an opportunity to
14 raise its concerns with the United States Secretary of De-
15 fense personally regarding any unresolved issue which
16 threatens its continued association with the Government
17 of the United States.

18 Section 352

19 In the exercise of its authority and responsibility
20 under Title Three, the Government of the United States
21 shall accord due respect to the authority and responsibility
22 of the Government of the Federated States of Micronesia
23 under Titles One, Two and Four and to the responsibility
24 of the Government of the Federated States of Micronesia
25 to assure the well-being of its people.

1 Section 353

2 (a) The Government of the United States shall not
3 include the Government of the Federated States of Micro-
4 nesia as a named party to a formal declaration of war,
5 without that Government's consent.

6 (b) Absent such consent, this Compact, as amended,
7 is without prejudice, on the ground of belligerence or the
8 existence of a state of war, to any claims for damages
9 which are advanced by the citizens, nationals or Govern-
10 ment of the Federated States of Micronesia, which arise
11 out of armed conflict subsequent to November 3, 1986,
12 and which are:

13 (1) petitions to the Government of the United
14 States for redress; or

15 (2) claims in any manner against the govern-
16 ment, citizens, nationals or entities of any third
17 country.

18 (c) Petitions under section 353(b)(1) shall be treated
19 as if they were made by citizens of the United States.

20 Section 354

21 (a) The Government of the United States and the
22 Government of the Federated States of Micronesia are
23 jointly committed to continue their security and defense
24 relations, as set forth in this Title. Accordingly, it is the
25 intention of the two countries that the provisions of this

1 Title shall remain binding as long as this Compact, as
2 amended, remains in effect, and thereafter as mutually
3 agreed, unless earlier terminated by mutual agreement
4 pursuant to section 441, or amended pursuant to Article
5 III of Title Four. If at any time the Government of the
6 United States, or the Government of the Federated States
7 of Micronesia, acting unilaterally, terminates this Title,
8 such unilateral termination shall be considered to be ter-
9 mination of the entire Compact, in which case the provi-
10 sions of section 442 and 452 (in the case of termination
11 by the Government of the United States) or sections 443
12 and 453 (in the case of termination by the Government
13 of the Federated States of Micronesia), with the exception
14 of paragraph (3) of subsection (a) of section 452 or para-
15 graph (3) of subsection (a) of section 453, as the case
16 may be, shall apply.

17 (b) The Government of the United States recognizes,
18 in view of the special relationship between the Government
19 of the United States and the Government of the Federated
20 States of Micronesia, and in view of the existence of the
21 separate agreement regarding mutual security concluded
22 with the Government of the Federated States of Micro-
23 nesia pursuant to sections 321 and 323, that, even if this
24 Title should terminate, any attack on the Federated
25 States of Micronesia during the period in which such sepa-

1 rate agreement is in effect, would constitute a threat to
2 the peace and security of the entire region and a danger
3 to the United States. In the event of such an attack, the
4 Government of the United States would take action to
5 meet the danger to the United States and to the Federated
6 States of Micronesia in accordance with its constitutional
7 processes.

8 (c) As reflected in Article 21(1)(b) of the Trust Fund
9 Agreement, the Government of the United States and the
10 Government of the Federated States of Micronesia further
11 recognize, in view of the special relationship between their
12 countries, that even if this Title should terminate, the
13 Government of the Federated States of Micronesia shall
14 refrain from actions which the Government of the United
15 States determines, after appropriate consultation with
16 that Government, to be incompatible with its authority
17 and responsibility for security and defense matters in or
18 relating to the Federated States of Micronesia or the Re-
19 public of the Marshall Islands.

20 TITLE FOUR

21 GENERAL PROVISIONS

22 Article I

23 Approval and Effective Date

24 Section 411

1 Pursuant to section 432 of the Compact and subject
2 to subsection (e) of section 461 of the Compact, as amend-
3 ed, the Compact, as amended, shall come into effect upon
4 mutual agreement between the Government of the United
5 States and the Government of the Federated States of Mi-
6 cronesia subsequent to completion of the following:

7 (a) Approval by the Government of the Fed-
8 erated States of Micronesia in accordance with its
9 constitutional processes.

10 (b) Approval by the Government of the United
11 States in accordance with its constitutional proc-
12 esses.

13 Article II

14 Conference and Dispute Resolution

15 Section 421

16 The Government of the United States shall confer
17 promptly at the request of the Government of the Fed-
18 erated States of Micronesia and that Government shall
19 confer promptly at the request of the Government of the
20 United States on matters relating to the provisions of this
21 Compact, as amended, or of its related agreements.

22 Section 422

23 In the event the Government of the United States or
24 the Government of the Federated States of Micronesia,
25 after conferring pursuant to section 421, determines that

1 there is a dispute and gives written notice thereof, the two
2 Governments shall make a good faith effort to resolve the
3 dispute between themselves.

4 Section 423

5 If a dispute between the Government of the United
6 States and the Government of the Federated States of Mi-
7 cronesia cannot be resolved within 90 days of written noti-
8 fication in the manner provided in section 422, either
9 party to the dispute may refer it to arbitration in accord-
10 ance with section 424.

11 Section 424

12 Should a dispute be referred to arbitration as pro-
13 vided for in section 423, an Arbitration Board shall be
14 established for the purpose of hearing the dispute and ren-
15 dering a decision which shall be binding upon the two par-
16 ties to the dispute unless the two parties mutually agree
17 that the decision shall be advisory. Arbitration shall occur
18 according to the following terms:

19 (a) An Arbitration Board shall consist of a
20 Chairman and two other members, each of whom
21 shall be a citizen of a party to the dispute. Each of
22 the two Governments which is a party to the dispute
23 shall appoint one member to the Arbitration Board.
24 If either party to the dispute does not fulfill the ap-
25 pointment requirements of this section within 30

1 days of referral of the dispute to arbitration pursu-
2 ant to section 423, its member on the Arbitration
3 Board shall be selected from its own standing list by
4 the other party to the dispute. Each Government
5 shall maintain a standing list of 10 candidates. The
6 parties to the dispute shall jointly appoint a Chair-
7 man within 15 days after selection of the other
8 members of the Arbitration Board. Failing agree-
9 ment on a Chairman, the Chairman shall be chosen
10 by lot from the standing lists of the parties to the
11 dispute within 5 days after such failure.

12 (b) Unless otherwise provided in this Compact,
13 as amended, or its related agreements, the Arbitra-
14 tion Board shall have jurisdiction to hear and render
15 its final determination on all disputes arising exclu-
16 sively under Articles I, II, III, IV and V of Title
17 One, Title Two, Title Four, and their related agree-
18 ments.

19 (c) Each member of the Arbitration Board shall
20 have one vote. Each decision of the Arbitration
21 Board shall be reached by majority vote.

22 (d) In determining any legal issue, the Arbitration
23 Board may have reference to international law and, in
24 such reference, shall apply as guidelines the provisions set

1 forth in Article 38 of the Statute of the International
2 Court of Justice.

3 (e) The Arbitration Board shall adopt such rules for
4 its proceedings as it may deem appropriate and necessary,
5 but such rules shall not contravene the provisions of this
6 Compact, as amended. Unless the parties provide other-
7 wise by mutual agreement, the Arbitration Board shall en-
8 deavor to render its decision within 30 days after the con-
9 clusion of arguments. The Arbitration Board shall make
10 findings of fact and conclusions of law and its members
11 may issue dissenting or individual opinions. Except as may
12 be otherwise decided by the Arbitration Board, one-half
13 of all costs of the arbitration shall be borne by the Govern-
14 ment of the United States and the remainder shall be
15 borne by the Government of the Federated States of Mi-
16 cronesia.

17 Article III

18 Amendment

19 Section 431

20 The provisions of this Compact, as amended, may be
21 further amended by mutual agreement of the Government
22 of the United States and the Government of the Federated
23 States of Micronesia, in accordance with their respective
24 constitutional processes.

1 Article IV

2 Termination

3 Section 441

4 This Compact, as amended, may be terminated by
5 mutual agreement of the Government of the Federated
6 States of Micronesia and the Government of the United
7 States, in accordance with their respective constitutional
8 processes. Such mutual termination of this Compact, as
9 amended, shall be without prejudice to the continued ap-
10 plication of section 451 of this Compact, as amended, and
11 the provisions of the Compact, as amended, set forth
12 therein.

13 Section 442

14 Subject to section 452, this Compact, as amended,
15 may be terminated by the Government of the United
16 States in accordance with its constitutional processes.
17 Such termination shall be effective on the date specified
18 in the notice of termination by the Government of the
19 United States but not earlier than six months following
20 delivery of such notice. The time specified in the notice
21 of termination may be extended. Such termination of this
22 Compact, as amended, shall be without prejudice to the
23 continued application of section 452 of this Compact, as
24 amended, and the provisions of the Compact, as amended,
25 set forth therein.

1 Section 443

2 This Compact, as amended, shall be terminated by
3 the Government of the Federated States of Micronesia,
4 pursuant to its constitutional processes, subject to section
5 453 if the people represented by that Government vote in
6 a plebiscite to terminate the Compact, as amended, or by
7 another process permitted by the FSM constitution and
8 mutually agreed between the Governments of the United
9 States and the Federated States of Micronesia. The Gov-
10 ernment of the Federated States of Micronesia shall notify
11 the Government of the United States of its intention to
12 call such a plebiscite, or to pursue another mutually
13 agreed and constitutional process, which plebiscite or proc-
14 ess shall take place not earlier than three months after
15 delivery of such notice. The plebiscite or other process
16 shall be administered by the Government of the Federated
17 States of Micronesia in accordance with its constitutional
18 and legislative processes. If a majority of the valid ballots
19 cast in the plebiscite or other process favors termination,
20 the Government of the Federated States of Micronesia
21 shall, upon certification of the results of the plebiscite or
22 other process, give notice of termination to the Govern-
23 ment of the United States, such termination to be effective
24 on the date specified in such notice but not earlier than
25 three months following the date of delivery of such notice.

1 The time specified in the notice of termination may be
2 extended.

3 Article V

4 Survivability

5 Section 451

6 (a) Should termination occur pursuant to section
7 441, economic and other assistance by the Government of
8 the United States shall continue only if and as mutually
9 agreed by the Governments of the United States and the
10 Federated States of Micronesia, and in accordance with
11 the parties' respective constitutional processes.

12 (b) In view of the special relationship of the United
13 States and the Federated States of Micronesia, as re-
14 flected in subsections (b) and (c) of section 354 of this
15 Compact, as amended, and the separate agreement en-
16 tered into consistent with those subsections, if termination
17 occurs pursuant to section 441 prior to the twentieth anni-
18 versary of the effective date of this Compact, as amended,
19 the United States shall continue to make contributions to
20 the Trust Fund described in section 215 of this Compact,
21 as amended.

22 (c) In view of the special relationship of the United
23 States and the Federated States of Micronesia described
24 in subsection (b) of this section, if termination occurs pur-
25 suant to section 441 following the twentieth anniversary

1 of the effective date of this Compact, as amended, the
2 Federated States of Micronesia shall be entitled to receive
3 proceeds from the Trust Fund described in section 215
4 of this Compact, as amended, in the manner described in
5 those provisions and the Trust Fund Agreement governing
6 the distribution of such proceeds.

7 Section 452

8 (a) Should termination occur pursuant to section 442
9 prior to the twentieth anniversary of the effective date of
10 this Compact, as amended, the following provisions of this
11 Compact, as amended, shall remain in full force and effect
12 until the twentieth anniversary of the effective date of this
13 Compact, as amended, and thereafter as mutually agreed:

14 (1) Article VI and sections 172, 173, 176 and
15 177 of Title One;

16 (2) Sections 232 and 234 of Title Two;

17 (3) Title Three; and

18 (4) Articles II, III, V and VI of Title Four.

19 (b) Should termination occur pursuant to section 442
20 before the twentieth anniversary of the effective date of
21 the Compact, as amended:

22 (1) Except as provided in paragraph (2) of this
23 subsection and subsection (c) of this section, eco-
24 nomic and other assistance by the United States
25 shall continue only if and as mutually agreed by the

1 Governments of the United States and the Fed-
2 erated States of Micronesia.

3 (2) In view of the special relationship of the
4 United States and the Federated States of Micro-
5 nesia, as reflected in subsections (b) and (c) of sec-
6 tion 354 of this Compact, as amended, and the sepa-
7 rate agreement regarding mutual security, and the
8 Trust Fund Agreement, the United States shall con-
9 tinue to make contributions to the Trust Fund de-
10 scribed in section 215 of this Compact, as amended,
11 in the manner described in the Trust Fund Agree-
12 ment.

13 (c) In view of the special relationship of the United
14 States and the Federated States of Micronesia, as re-
15 flected in subsections 354(b) and (c) of this Compact, as
16 amended, and the separate agreement regarding mutual
17 security, and the Trust Fund Agreement, if termination
18 occurs pursuant to section 442 following the twentieth an-
19 niversary of the effective date of this Compact, as amend-
20 ed, the Federated States of Micronesia shall continue to
21 be eligible to receive proceeds from the Trust Fund de-
22 scribed in section 215 of this Compact, as amended, in
23 the manner described in those provisions and the Trust
24 Fund Agreement.
25 Section 453

1 (a) Should termination occur pursuant to section 443
2 prior to the twentieth anniversary of the effective date of
3 this Compact, as amended, the following provisions of this
4 Compact, as amended, shall remain in full force and effect
5 until the twentieth anniversary of the effective date of this
6 Compact, as amended, and thereafter as mutually agreed:

- 7 (1) Article VI and sections 172, 173, 176 and
8 177 of Title One;
9 (2) Sections 232 and 234 of Title Two;
10 (3) Title Three; and
11 (4) Articles II, III, V and VI of Title Four.

12 (b) Upon receipt of notice of termination pursuant
13 to section 443, the Government of the United States and
14 the Government of the Federated States of Micronesia
15 shall promptly consult with regard to their future relation-
16 ship. Except as provided in subsection (c) and (d) of this
17 section, these consultations shall determine the level of
18 economic and other assistance, if any, which the Govern-
19 ment of the United States shall provide to the Government
20 of the Federated States of Micronesia for the period end-
21 ing on the twentieth anniversary of the effective date of
22 this Compact, as amended, and for any period thereafter,
23 if mutually agreed.

24 (c) In view of the special relationship of the United
25 States and the Federated States of Micronesia, as re-

1 flected in subsections 354(b) and (c) of this Compact, as
2 amended, and the separate agreement regarding mutual
3 security, and the Trust Fund Agreement, if termination
4 occurs pursuant to section 443 prior to the twentieth anni-
5 versary of the effective date of this Compact, as amended,
6 the United States shall continue to make contributions to
7 the Trust Fund described in section 215 of this Compact,
8 as amended, in the manner described in the Trust Fund
9 Agreement.

10 (d) In view of the special relationship of the United
11 States and the Federated States of Micronesia, as re-
12 flected in subsections 354(b) and (c) of this Compact, as
13 amended, and the separate agreement regarding mutual
14 security, and the Trust Fund Agreement, if termination
15 occurs pursuant to section 443 following the twentieth an-
16 niversary of the effective date of this Compact, as amend-
17 ed, the Federated States of Micronesia shall continue to
18 be eligible to receive proceeds from the Trust Fund de-
19 scribed in section 215 of this Compact, as amended, in
20 the manner described in those provisions and the Trust
21 Fund Agreement.

22 Section 454

23 Notwithstanding any other provision of this Compact,
24 as amended:

1 (a) The Government of the United States reaffirms its continuing interest in promoting the economic advancement and budgetary self-reliance of the people of the Federated States of Micronesia.

5 (b) The separate agreements referred to in Article II of Title Three shall remain in effect in accordance with their terms.

8 Article VI

9 Definition of Terms

10 Section 461

11 For the purpose of this Compact, as amended, only, and without prejudice to the views of the Government of the United States or the Government of the Federated States of Micronesia as to the nature and extent of the jurisdiction of either of them under international law, the following terms shall have the following meanings:

17 (a) "Trust Territory of the Pacific Islands" means the area established in the Trusteeship Agreement consisting of the former administrative districts of Kosrae, Yap, Ponape, the Marshall Islands and Truk as described in Title One, Trust Territory Code, section 1, in force on January 1, 1979. This term does not include the area of Palau or the Northern Mariana Islands.

1 (b) “Trusteeship Agreement” means the agree-
2 ment setting forth the terms of trusteeship for the
3 Trust Territory of the Pacific Islands, approved by
4 the Security Council of the United Nations April 2,
5 1947, and by the United States July 18, 1947, en-
6 tered into force July 18, 1947, 61 Stat. 3301,
7 T.I.A.S. 1665, 8 U.N.T.S. 189.

8 (c) “The Federated States of Micronesia” and
9 “the Republic of the Marshall Islands” are used in
10 a geographic sense and include the land and water
11 areas to the outer limits of the territorial sea and
12 the air space above such areas as now or hereafter
13 recognized by the Government of the United States.

14 (d) “Compact” means the Compact of Free As-
15 sociation Between the United States and the Fed-
16 erated States of Micronesia and the Marshall Is-
17 lands, that was approved by the United States Con-
18 gress in section 201 of Public Law 99-239 (Jan. 14,
19 1986) and went into effect with respect to the Fed-
20 erated States of Micronesia on November 3, 1986.

21 (e) “Compact, as amended” means the Com-
22 pact of Free Association Between the United States
23 and the Federated States of Micronesia, as amend-
24 ed. The effective date of the Compact, as amended,
25 shall be on a date to be determined by the President

1 of the United States, and agreed to by the Govern-
2 ment of the Federated States of Micronesia, fol-
3 lowing formal approval of the Compact, as amended,
4 in accordance with section 411 of this Compact, as
5 amended.

6 (f) “Government of the Federated States of Mi-
7 cronnesia” means the Government established and or-
8 ganized by the Constitution of the Federated States
9 of Micronesia including all the political subdivisions
10 and entities comprising that Government.

11 (g) “Government of the Republic of the Mar-
12 shall Islands” means the Government established
13 and organized by the Constitution of the Republic of
14 the Marshall Islands including all the political sub-
15 divisions and entities comprising that Government.

16 (h) The following terms shall be defined con-
17 sistent with the 1998 Edition of the Radio Regula-
18 tions of the International Telecommunications Union
19 as follows:

20 (1) “Radiocommunication” means tele-
21 communication by means of radio waves.

22 (2) “Station” means one or more transmit-
23 ters or receivers or a combination of transmit-
24 ters and receivers, including the accessory
25 equipment, necessary at one location for car-

1 rying on a radiocommunication service, or the
2 radio astronomy service.

3 (3) “Broadcasting Service” means a
4 radiocommunication service in which the trans-
5 missions are intended for direct reception by
6 the general public. This service may include
7 sound transmissions, television transmissions or
8 other types of transmission.

9 (4) “Broadcasting Station” means a sta-
10 tion in the broadcasting service.

11 (5) “Assignment (of a radio frequency or
12 radio frequency channel)” means an authoriza-
13 tion given by an administration for a radio sta-
14 tion to use a radio frequency or radio frequency
15 channel under specified conditions.

16 (6) “Telecommunication” means any
17 transmission, emission or reception of signs,
18 signals, writings, images and sounds or intel-
19 ligence of any nature by wire, radio, optical or
20 other electromagnetic systems.

21 (i) “Military Areas and Facilities” means those
22 areas and facilities in the Federated States of Micro-
23 nesia reserved or acquired by the Government of the
24 Federated States of Micronesia for use by the Gov-

1 ernment of the United States, as set forth in the
2 separate agreements referred to in section 321.

3 (j) “Tariff Schedules of the United States”
4 means the Tariff Schedules of the United States as
5 amended from time to time and as promulgated pur-
6 suant to United States law and includes the Tariff
7 Schedules of the United States Annotated (TSUSA),
8 as amended.

9 (k) “Vienna Convention on Diplomatic Rela-
10 tions” means the Vienna Convention on Diplomatic
11 Relations, done April 18, 1961, 23 U.S.T. 3227,
12 T.I.A.S. 7502, 500 U.N.T.S. 95.

13 Section 462

14 (a) The Government of the United States and the
15 Government of the Federated States of Micronesia pre-
16 viously have concluded agreements pursuant to the Com-
17 pact, which shall remain in effect and shall survive in ac-
18 cordance with their terms, as follows:

19 (1) Agreement Concluded Pursuant to Section
20 234 of the Compact;

21 (2) Agreement Between the Government of the
22 United States and the Government of the Federated
23 States of Micronesia Regarding Friendship, Co-
24 operation and Mutual Security Concluded Pursuant

1 to Sections 321 and 323 of the Compact of Free As-
2 sociation; and

3 (3) Agreement between the Government of the
4 United States of America and the Federated States
5 of Micronesia Regarding Aspects of the Marine Sov-
6 ereignty and Jurisdiction of the Federated States of
7 Micronesia.

8 (b) The Government of the United States and the
9 Government of the Federated States of Micronesia shall
10 conclude prior to the date of submission of this Compact,
11 as amended, to the legislatures of the two countries, the
12 following related agreements which shall come into effect
13 on the effective date of this Compact, as amended, and
14 shall survive in accordance with their terms, as follows:

15 (1) Federal Programs and Services Agreement
16 Between the Government of the United States of
17 America and the Government of the Federated
18 States of Micronesia Concluded Pursuant to Article
19 III of Title One, Article II of Title Two (including
20 Section 222), and Section 231 of the Compact of
21 Free Association, as amended which includes:

22 (i) Postal Services and Related Programs;

23 (ii) Weather Services and Related Pro-
24 grams;

1 (iii) Civil Aviation Safety Service and Re-
2 lated Programs;

3 (iv) Civil Aviation Economic Services and
4 Related Programs;

5 (v) United States Disaster Preparedness
6 and Response Services and Related Programs;

7 (vi) Federal Deposit Insurance Corporation
8 Services and Related Programs; and

9 (vii) Telecommunications Services and Re-
10 lated Programs.

11 (2) Agreement Between the Government of the
12 United States of America and the Government of
13 the Federated States of Micronesia on Extradition,
14 Mutual Assistance in Law Enforcement Matters and
15 Penal Sanctions Concluded Pursuant to Section
16 175(a) of the Compact of Free Association, as
17 amended;

18 (3) Agreement Between the Government of the
19 United States of America and the Government of
20 the Federated States of Micronesia on Labor Re-
21 cruitment Concluded Pursuant to Section 175(b) of
22 the Compact of Free Association, as amended;

23 (4) Agreement Concerning Procedures for the
24 Implementation of United States Economic Assist-
25 ance Provided in the Compact of Free Association,

1 as Amended, of Free Association Between the Gov-
2 ernment of the United States of America and Gov-
3 ernment of the Federated States of Micronesia;

4 (5) Agreement Between the Government of the
5 United States of America and the Government of
6 the Federated States of Micronesia Implementing
7 Section 215 and Section 216 of the Compact, as
8 Amended, Regarding a Trust Fund;

9 (6) Agreement Regarding the Military Use and
10 Operating Rights of the Government of the United
11 States in the Federated States of Micronesia Con-
12 cluded Pursuant to Sections 211(b), 321 and 323 of
13 the Compact of Free Association, as Amended; and
14 the

15 (7) Status of Forces Agreement Between the
16 Government of the United States of America and
17 the Government of the Federated States of Micro-
18 nesia Concluded Pursuant to Section 323 of the
19 Compact of Free Association, as Amended.

20 Section 463

21 (a) Except as set forth in subsection (b) of this sec-
22 tion, any reference in this Compact, as amended, to a pro-
23 vision of the United States Code or the Statutes at Large
24 of the United States constitutes the incorporation of the
25 language of such provision into this Compact, as amended,

1 as such provision was in force on the effective date of this
2 Compact, as amended.

3 (b) Any reference in Articles IV and Article VI of
4 Title One and Sections 174, 175, 178 and 342 to a provi-
5 sion of the United States Code or the Statutes at Large
6 of the United States or to the Privacy Act, the Freedom
7 of Information Act, the Administrative Procedure Act or
8 the Immigration and Nationality Act constitutes the incor-
9 poration of the language of such provision into this Com-
10 pact, as amended, as such provision was in force on the
11 effective date of this Compact, as amended, or as it may
12 be amended thereafter on a non-discriminatory basis ac-
13 cording to the constitutional processes of the United
14 States.

15 Article VII

16 Concluding Provisions

17 Section 471

18 Both the Government of the United States and the
19 Government of the Federated States of Micronesia shall
20 take all necessary steps, of a general or particular char-
21 acter, to ensure, no later than the entry into force date
22 of this Compact, as amended, the conformity of its laws,
23 regulations and administrative procedures with the provi-
24 sions of this Compact, as amended, or in the case of sub-

1 section (d) of section 141, as soon as reasonably possible
 2 thereafter.

3 Section 472

4 This Compact, as amended, may be accepted, by sig-
 5 nature or otherwise, by the Government of the United
 6 States and the Government of the Federated States of Mi-
 7 cronesia.

8 IN WITNESS WHEREOF, the undersigned, duly
 9 authorized, have signed this Compact of Free Association,
 10 as amended, which shall enter into force upon the ex-
 11 change of diplomatic notes by which the Government of
 12 the United States of America and the Government of the
 13 Federated States of Micronesia inform each other about
 14 the fulfillment of their respective requirements for entry
 15 into force.

16 DONE at Pohnpei, Federated States of Micronesia,
 17 in duplicate, this fourteenth (14) day of May, 2003, each
 18 text being equally authentic.

Signed (May 14, 2003)
For the Government of the
United States of America:

Signed (May 14, 2003)
For the Government of the
Federated States of
Micronesia:

19 (b) COMPACT OF FREE ASSOCIATION, AS AMENDED,
 20 BETWEEN THE GOVERNMENT OF THE UNITED STATES
 21 OF AMERICA AND THE GOVERNMENT OF THE REPUBLIC
 22 OF THE MARSHALL ISLANDS

2 THE GOVERNMENT OF THE UNITED STATES OF
3 AMERICA AND THE GOVERNMENT OF THE
4 REPUBLIC OF THE MARSHALL ISLANDS

10 Affirming the common interests of the United States
11 of America and the Republic of the Marshall Islands in
12 creating and maintaining their close and mutually bene-
13 ficial relationship through the free and voluntary associa-
14 tion of their respective Governments; and

19 Recognizing that their relationship until the entry
20 into force on October 21, 1986 of the Compact was based
21 upon the International Trusteeship System of the United
22 Nations Charter, and in particular Article 76 of the Char-
23 ter; and that pursuant to Article 76 of the Charter, the
24 people of the Republic of the Marshall Islands have pro-
25 gressively developed their institutions of self-government,

1 and that in the exercise of their sovereign right to self-
2 determination they, through their freely-expressed wishes,
3 have adopted a Constitution appropriate to their par-
4 ticular circumstances; and

5 Recognizing that the Compact reflected their common
6 desire to terminate the Trusteeship and establish a gov-
7 ernment-to-government relationship which was in accord-
8 ance with the new political status based on the freely ex-
9 pressed wishes of the people of the Republic of the Mar-
10 shall Islands and appropriate to their particular cir-
11 cumstances; and

12 Recognizing that the people of the Republic of the
13 Marshall Islands have and retain their sovereignty and
14 their sovereign right to self-determination and the inher-
15 ent right to adopt and amend their own Constitution and
16 form of government and that the approval of the entry
17 of the Government of the Republic of the Marshall Islands
18 into the Compact by the people of the Republic of the Mar-
19 shall Islands constituted an exercise of their sovereign
20 right to self-determination; and

21 Recognizing the common desire of the people of the
22 United States and the people of the Republic of the Mar-
23 shall Islands to maintain their close government-to-gov-
24 ernment relationship, the United States and the Republic
25 of the Marshall Islands:

1 NOW, THEREFORE, MUTUALLY AGREE to
2 continue and strengthen their relationship of free associa-
3 tion by amending the Compact, which continues to provide
4 a full measure of self-government for the people of the
5 Republic of the Marshall Islands; and

6 FURTHER AGREE that the relationship of free as-
7 sociation derives from and is as set forth in this Compact,
8 as amended, by the Governments of the United States and
9 the Republic of the Marshall Islands; and that, during
10 such relationship of free association, the respective rights
11 and responsibilities of the Government of the United
12 States and the Government of the Republic of the Mar-
13 shall Islands in regard to this relationship of free associa-
14 tion derive from and are as set forth in this Compact, as
15 amended.

16 TITLE ONE
17 GOVERNMENTAL RELATIONS
18 Article I
19 Self-Government

20 Section 111

21 The people of the Republic of the Marshall Islands,
22 acting through the Government established under their
23 Constitution, are self-governing.

1 Article II
2 Foreign Affairs
3 Section 121

4 (a) The Government of the Republic of the Marshall
5 Islands has the capacity to conduct foreign affairs and
6 shall do so in its own name and right, except as otherwise
7 provided in this Compact, as amended.

8 (b) The foreign affairs capacity of the Government
9 of the Republic of the Marshall Islands includes:

10 (1) the conduct of foreign affairs relating to law
11 of the sea and marine resources matters, including
12 the harvesting, conservation, exploration or exploi-
13 tation of living and non-living resources from the
14 sea, seabed or subsoil to the full extent recognized
15 under international law;

16 (2) the conduct of its commercial, diplomatic,
17 consular, economic, trade, banking, postal, civil avia-
18 tion, communications, and cultural relations, includ-
19 ing negotiations for the receipt of developmental
20 loans and grants and the conclusion of arrangements
21 with other governments and international and inter-
22 governmental organizations, including any matters
23 specially benefiting its individual citizens.

24 (c) The Government of the United States recognizes
25 that the Government of the Republic of the Marshall Is-

1 lands has the capacity to enter into, in its own name and
2 right, treaties and other international agreements with
3 governments and regional and international organizations.

4 (d) In the conduct of its foreign affairs, the Govern-
5 ment of the Republic of the Marshall Islands confirms that
6 it shall act in accordance with principles of international
7 law and shall settle its international disputes by peaceful
8 means.

9 Section 122

10 The Government of the United States shall support
11 applications by the Government of the Republic of the
12 Marshall Islands for membership or other participation in
13 regional or international organizations as may be mutually
14 agreed.

15 Section 123

16 (a) In recognition of the authority and responsibility
17 of the Government of the United States under Title Three,
18 the Government of the Republic of the Marshall Islands
19 shall consult, in the conduct of its foreign affairs, with
20 the Government of the United States.

21 (b) In recognition of the foreign affairs capacity of
22 the Government of the Republic of the Marshall Islands,
23 the Government of the United States, in the conduct of
24 its foreign affairs, shall consult with the Government of
25 the Republic of the Marshall Islands on matters that the

1 Government of the United States regards as relating to
2 or affecting the Government of the Republic of the Mar-
3 shall Islands.

4 Section 124

5 The Government of the United States may assist or
6 act on behalf of the Government of the Republic of the
7 Marshall Islands in the area of foreign affairs as may be
8 requested and mutually agreed from time to time. The
9 Government of the United States shall not be responsible
10 to third parties for the actions of the Government of the
11 Republic of the Marshall Islands undertaken with the as-
12 sistance or through the agency of the Government of the
13 United States pursuant to this section unless expressly
14 agreed.

15 Section 125

16 The Government of the United States shall not be
17 responsible for nor obligated by any actions taken by the
18 Government of the Republic of the Marshall Islands in the
19 area of foreign affairs, except as may from time to time
20 be expressly agreed.

21 Section 126

22 At the request of the Government of the Republic of
23 the Marshall Islands and subject to the consent of the re-
24 ceiving state, the Government of the United States shall
25 extend consular assistance on the same basis as for citi-

1 zens of the United States to citizens of the Republic of
2 the Marshall Islands for travel outside the Republic of the
3 Marshall Islands, the United States and its territories and
4 possessions.

5 Section 127

6 Except as otherwise provided in this Compact, as
7 amended, or its related agreements, all obligations, re-
8 sponsibilities, rights and benefits of the Government of the
9 United States as Administering Authority which resulted
10 from the application pursuant to the Trusteeship Agree-
11 ment of any treaty or other international agreement to the
12 Trust Territory of the Pacific Islands on October 20,
13 1986, are, as of that date, no longer assumed and enjoyed
14 by the Government of the United States.

15 Article III

16 Communications

17 Section 131

18 (a) The Government of the Republic of the Marshall
19 Islands has full authority and responsibility to regulate its
20 domestic and foreign communications, and the Govern-
21 ment of the United States shall provide communications
22 assistance as mutually agreed.

23 (b) The Government of the Republic of the Marshall
24 Islands has elected to undertake all functions previously
25 performed by the Government of the United States with

1 respect to domestic and foreign communications, except
2 for those functions set forth in a separate agreement en-
3 tered into pursuant to this section of the Compact, as
4 amended.

5 Section 132

6 The Government of the Republic of the Marshall Is-
7 lands shall permit the Government of the United States
8 to operate telecommunications services in the Republic of
9 the Marshall Islands to the extent necessary to fulfill the
10 obligations of the Government of the United States under
11 this Compact, as amended, in accordance with the terms
12 of separate agreements entered into pursuant to this sec-
13 tion of the Compact, as amended.

14 Article IV

15 Immigration

16 Section 141

17 (a) In furtherance of the special and unique relation-
18 ship that exists between the United States and the Repub-
19 lic of the Marshall Islands, under the Compact, as amend-
20 ed, any person in the following categories may be admitted
21 to lawfully engage in occupations, and establish residence
22 as a nonimmigrant in the United States and its territories
23 and possessions (the “United States”) without regard to
24 paragraphs (5) or (7)(B)(i)(II) of section 212(a) of the

1 Immigration and Nationality Act, as amended, 8 U.S.C.

2 1182(a)(5) or (7)(B)(i)(II):

3 (1) a person who, on October 21, 1986, was a
4 citizen of the Trust Territory of the Pacific Islands,
5 as defined in Title 53 of the Trust Territory Code
6 in force on January 1, 1979, and has become and
7 remains a citizen of the Republic of the Marshall Is-
8 lands;

9 (2) a person who acquires the citizenship of the
10 Republic of the Marshall Islands at birth, on or after
11 the effective date of the Constitution of the Republic
12 of the Marshall Islands;

13 (3) an immediate relative of a person referred
14 to in paragraphs (1) or (2) of this section, provided
15 that such immediate relative is a naturalized citizen
16 of the Republic of the Marshall Islands who has
17 been an actual resident there for not less than five
18 years after attaining such naturalization and who
19 holds a certificate of actual residence, and further
20 provided, that, in the case of a spouse, such spouse
21 has been married to the person referred to in para-
22 graph (1) or (2) of this section for at least five
23 years, and further provided, that the Government of
24 the United States is satisfied that such naturalized
25 citizen meets the requirement of subsection (b) of

1 section 104 of Public Law 99–239 as it was in effect
2 on the day prior to the effective date of this Com-
3 pact, as amended;

4 (4) a naturalized citizen of the Republic of the
5 Marshall Islands who was an actual resident there
6 for not less than five years after attaining such nat-
7 uralization and who satisfied these requirements as
8 of April 30, 2003, who continues to be an actual
9 resident and holds a certificate of actual residence,
10 and whose name is included in a list furnished by
11 the Government of the Republic of the Marshall Is-
12 lands to the Government of the United States no
13 later than the effective date of the Compact, as
14 amended, in form and content acceptable to the Gov-
15 ernment of the United States, provided, that the
16 Government of the United States is satisfied that
17 such naturalized citizen meets the requirement of
18 subsection (b) of section 104 of Public Law 99–239
19 as it was in effect on the day prior to the effective
20 date of this Compact, as amended; or

21 (5) an immediate relative of a citizen of the Re-
22 public of the Marshall Islands, regardless of the im-
23 mediate relative’s country of citizenship or period of
24 residence in the Republic of the Marshall Islands, if
25 the citizen of the Republic of the Marshall Islands

1 is serving on active duty in any branch of the United
2 States Armed Forces, or in the active reserves.

3 (b) Notwithstanding subsection (a) of this section, a
4 person who is coming to the United States pursuant to
5 an adoption outside the United States, or for the purpose
6 of adoption in the United States, is ineligible for admission
7 under the Compact and the Compact, as amended. This
8 subsection shall apply to any person who is or was an ap-
9 plicant for admission to the United States on or after
10 March 1, 2003, including any applicant for admission in
11 removal proceedings (including appellate proceedings) on
12 or after March 1, 2003, regardless of the date such pro-
13 ceedings were commenced. This subsection shall have no
14 effect on the ability of the Government of the United
15 States or any United States State or local government to
16 commence or otherwise take any action against any person
17 or entity who has violated any law relating to the adoption
18 of any person.

19 (c) Notwithstanding subsection (a) of this section, no
20 person who has been or is granted citizenship in the Re-
21 public of the Marshall Islands, or has been or is issued
22 a Republic of the Marshall Islands passport pursuant to
23 any investment, passport sale, or similar program has
24 been or shall be eligible for admission to the United States
25 under the Compact or the Compact, as amended.

1 (d) A person admitted to the United States under the
2 Compact, or the Compact, as amended, shall be considered
3 to have the permission of the Government of the United
4 States to accept employment in the United States. An un-
5 expired Republic of the Marshall Islands passport with un-
6 expired documentation issued by the Government of the
7 United States evidencing admission under the Compact or
8 the Compact, as amended, shall be considered to be docu-
9 mentation establishing identity and employment author-
10 ization under section 274A(b)(1)(B) of the Immigration
11 and Nationality Act, as amended, 8 U.S.C.
12 1324a(b)(1)(B). The Government of the United States
13 will take reasonable and appropriate steps to implement
14 and publicize this provision, and the Government of the
15 Republic of the Marshall Islands will also take reasonable
16 and appropriate steps to publicize this provision.

17 (e) For purposes of the Compact and the Compact,
18 as amended,

19 (1) the term “residence” with respect to a per-
20 son means the person’s principal, actual dwelling
21 place in fact, without regard to intent, as provided
22 in section 101(a)(33) of the Immigration and Na-
23 tionality Act, as amended, 8 U.S.C. 1101(a)(33),
24 and variations of the term “residence,” including

1 “resident” and “reside,” shall be similarly con-
2 strued;

3 (2) the term “actual residence” means physical
4 presence in the Republic of the Marshall Islands
5 during eighty-five percent of the five-year period of
6 residency required by section 141(a)(3) and (4);

7 (3) the term “certificate of actual residence”
8 means a certificate issued to a naturalized citizen by
9 the Government of the Republic of the Marshall Is-
10 lands stating that the citizen has complied with the
11 actual residence requirement of section 141(a)(3) or
12 (4);

13 (4) the term “nonimmigrant” means an alien
14 who is not an “immigrant” as defined in section
15 101(a)(15) of such Act, 8 U.S.C. 1101(a)(15); and

16 (5) the term “immediate relative” means a
17 spouse, or unmarried son or unmarried daughter
18 less than 21 years of age.

19 (f) The Immigration and Nationality Act, as amend-
20 ed, shall apply to any person admitted or seeking admis-
21 sion to the United States (other than a United States pos-
22 session or territory where such Act does not apply) under
23 the Compact or the Compact, as amended, and nothing
24 in the Compact or the Compact, as amended, shall be con-

1 strued to limit, preclude, or modify the applicability of,
2 with respect to such person:

3 (1) any ground of inadmissibility or deport-
4 ability under such Act (except sections 212(a)(5)
5 and 212(a)(7)(B)(i)(II) of such Act, as provided in
6 subsection (a) of this section), and any defense
7 thereto, provided that, section 237(a)(5) of such Act
8 shall be construed and applied as if it reads as fol-
9 lows: “any alien who has been admitted under the
10 Compact, or the Compact, as amended, who cannot
11 show that he or she has sufficient means of support
12 in the United States, is deportable;”

13 (2) the authority of the Government of the
14 United States under section 214(a)(1) of such Act
15 to provide that admission as a nonimmigrant shall
16 be for such time and under such conditions as the
17 Government of the United States may by regulations
18 prescribe;

19 (3) except for the treatment of certain docu-
20 mentation for purposes of section 274A(b)(1)(B) of
21 such Act as provided by subsection (d) of this sec-
22 tion of the Compact, as amended, any requirement
23 under section 274A, including but not limited to sec-
24 tion 274A(b)(1)(E);

1 (4) section 643 of the Illegal Immigration Re-
2 form and Immigrant Responsibility Act of 1996,
3 Public Law 104–208, and actions taken pursuant to
4 section 643; and

5 (5) the authority of the Government of the
6 United States otherwise to administer and enforce
7 the Immigration and Nationality Act, as amended,
8 or other United States law.

9 (g) Any authority possessed by the Government of the
10 United States under this section of the Compact or the
11 Compact, as amended, may also be exercised by the Gov-
12 ernment of a territory or possession of the United States
13 where the Immigration and Nationality Act, as amended,
14 does not apply, to the extent such exercise of authority
15 is lawful under a statute or regulation of such territory
16 or possession that is authorized by the laws of the United
17 States.

18 (h) Subsection (a) of this section does not confer on
19 a citizen of the Republic of the Marshall Islands the right
20 to establish the residence necessary for naturalization
21 under the Immigration and Nationality Act, as amended,
22 or to petition for benefits for alien relatives under that
23 Act. Subsection (a) of this section, however, shall not pre-
24 vent a citizen of the Republic of the Marshall Islands from

1 otherwise acquiring such rights or lawful permanent resi-
2 dent alien status in the United States.

3 Section 142

4 (a) Any citizen or national of the United States may
5 be admitted to lawfully engage in occupations, and reside
6 in the Republic of the Marshall Islands, subject to the
7 rights of the Government of the Republic of the Marshall
8 Islands to deny entry to or deport any such citizen or na-
9 tional as an undesirable alien. Any determination of inad-
10 missibility or deportability shall be based on reasonable
11 statutory grounds and shall be subject to appropriate ad-
12 ministrative and judicial review within the Republic of the
13 Marshall Islands. If a citizen or national of the United
14 States is a spouse of a citizen of the Republic of the Mar-
15 shall Islands, the Government of the Republic of the Mar-
16 shall Islands shall allow the United States citizen spouse
17 to establish residence. Should the Republic of the Marshall
18 Islands citizen spouse predecease the United States citizen
19 spouse during the marriage, the Government of the Re-
20 public of the Marshall Islands shall allow the United
21 States citizen spouse to continue to reside in the Republic
22 of the Marshall Islands.

23 (b) In enacting any laws or imposing any require-
24 ments with respect to citizens and nationals of the United
25 States entering the Republic of the Marshall Islands under

1 subsection (a) of this section, including any grounds of
2 inadmissibility or deportability, the Government of the Re-
3 public of the Marshall Islands shall accord to such citizens
4 and nationals of the United States treatment no less fa-
5 vorable than that accorded to citizens of other countries.

6 (c) Consistent with subsection (a) of this section, with
7 respect to citizens and nationals of the United States seek-
8 ing to engage in employment or invest in the Republic of
9 the Marshall Islands, the Government of the Republic of
10 the Marshall Islands shall adopt immigration-related pro-
11 cedures no less favorable than those adopted by the Gov-
12 ernment of the United States with respect to citizens of
13 the Republic of the Marshall Islands seeking employment
14 in the United States.

15 Section 143

16 Any person who relinquishes, or otherwise loses, his
17 United States nationality or citizenship, or his Republic
18 of the Marshall Islands citizenship, shall be ineligible to
19 receive the privileges set forth in sections 141 and 142.
20 Any such person may apply for admission to the United
21 States or the Republic of the Marshall Islands, as the case
22 may be, in accordance with any other applicable laws of
23 the United States or the Republic of the Marshall Islands
24 relating to immigration of aliens from other countries. The
25 laws of the Republic of the Marshall Islands or the United

1 States, as the case may be, shall dictate the terms and
2 conditions of any such person's stay.

3 Article V

4 Representation

5 Section 151

6 Relations between the Government of the United
7 States and the Government of the Republic of the Mar-
8 shall Islands shall be conducted in accordance with the
9 Vienna Convention on Diplomatic Relations. In addition
10 to diplomatic missions and representation, the Govern-
11 ments may establish and maintain other offices and des-
12 ignate other representatives on terms and in locations as
13 may be mutually agreed.

14 Section 152

15 (a) Any citizen or national of the United States who,
16 without authority of the United States, acts as the agent
17 of the Government of the Republic of the Marshall Islands
18 with regard to matters specified in the provisions of the
19 Foreign Agents Registration Act of 1938, as amended (22
20 U.S.C. 611 et seq.), that apply with respect to an agent
21 of a foreign principal shall be subject to the requirements
22 of such Act. Failure to comply with such requirements
23 shall subject such citizen or national to the same penalties
24 and provisions of law as apply in the case of the failure
25 of such an agent of a foreign principal to comply with such

1 requirements. For purposes of the Foreign Agents Reg-
2 istration Act of 1938, the Republic of the Marshall Islands
3 shall be considered to be a foreign country.

4 (b) Subsection (a) of this section shall not apply to
5 a citizen or national of the United States employed by the
6 Government of the Republic of the Marshall Islands with
7 respect to whom the Government of the Republic of the
8 Marshall Islands from time to time certifies to the Govern-
9 ment of the United States that such citizen or national
10 is an employee of the Republic of the Marshall Islands
11 whose principal duties are other than those matters speci-
12 fied in the Foreign Agents Registration Act of 1938, as
13 amended, that apply with respect to an agent of a foreign
14 principal. The agency or officer of the United States re-
15 ceiving such certifications shall cause them to be filed with
16 the Attorney General, who shall maintain a publicly avail-
17 able list of the persons so certified.

18 Article VI

19 Environmental Protection

20 Section 161

21 The Governments of the United States and the Re-
22 public of the Marshall Islands declare that it is their policy
23 to promote efforts to prevent or eliminate damage to the
24 environment and biosphere and to enrich understanding
25 of the natural resources of the Republic of the Marshall

1 Islands. In order to carry out this policy, the Government
2 of the United States and the Government of the Republic
3 of the Marshall Islands agree to the following mutual and
4 reciprocal undertakings:

5 (a) The Government of the United States:

6 (1) shall, for its activities controlled by the
7 U.S. Army at Kwajalein Atoll and in the Mid-
8 Atoll Corridor and for U.S. Army Kwajalein
9 Atoll activities in the Republic of the Marshall
10 Islands, continue to apply the Environmental
11 Standards and Procedures for United States
12 Army Kwajalein Atoll Activities in the Republic
13 of the Marshall Islands, unless and until those
14 Standards or Procedures are modified by mu-
15 tual agreement of the Governments of the
16 United States and the Republic of the Marshall
17 Islands;

18 (2) shall apply the National Environmental
19 Policy Act of 1969, 83 Stat. 852, 42 U.S.C.
20 4321 et seq., to its activities under the Com-
21 pact, as amended, and its related agreements as
22 if the Republic of the Marshall Islands were the
23 United States;

24 (3) in the conduct of any activity not de-
25 scribed in section 161(a)(1) requiring the prep-

1 aration of an Environmental Impact Statement
2 under section 161(a)(2), shall comply with
3 standards substantively similar to those re-
4 quired by the following laws of the United
5 States, taking into account the particular envi-
6 ronment of the Republic of the Marshall Is-
7 lands; the Endangered Species Act of 1973, as
8 amended, 16 U.S.C. 1531 et seq.; the Clean Air
9 Act, as amended, 42 U.S.C. 7401 et seq.; the
10 Clean Water Act (Federal Water Pollution Con-
11 trol Act), as amended, 33 U.S.C. 1251 et seq.;
12 Title I of the Marine Protection, Research and
13 Sanctuaries Act of 1972 (the Ocean Dumping
14 Act), 33 U.S.C. 1411 et seq.; the Toxic Sub-
15 stances Control Act, as amended, 15 U.S.C.
16 2601 et seq.; the Solid Waste Disposal Act, as
17 amended, 42 U.S.C. 6901 et seq.; and such
18 other environmental protection laws of the
19 United States and the Republic of the Marshall
20 Islands as may be agreed from time to time
21 with the Government of the Republic of the
22 Marshall Islands;

23 (4) shall, prior to conducting any activity
24 not described in section 161(a)(1) requiring the
25 preparation of an Environmental Impact State-

1 ment under section 161(a)(2), develop, as
2 agreed with the Government of the Republic of
3 the Marshall Islands, written environmental
4 standards and procedures to implement the
5 substantive provisions of the laws made applica-
6 ble to U.S. Government activities in the Repub-
7 lic of the Marshall Islands, pursuant to section
8 161(a)(3).

9 (b) The Government of the Republic of the
10 Marshall Islands shall continue to develop and im-
11 plement standards and procedures to protect its en-
12 vironment. As a reciprocal obligation to the under-
13 takings of the Government of the United States
14 under this Article, the Republic of the Marshall Is-
15 lands, taking into account its particular environ-
16 ment, shall continue to develop and implement
17 standards for environmental protection substantively
18 similar to those required of the Government of the
19 United States by section 161(a)(3) prior to its con-
20 ducting activities in the Republic of the Marshall Is-
21 lands, substantively equivalent to activities con-
22 ducted there by the Government of the United
23 States and, as a further reciprocal obligation, shall
24 enforce those standards.

1 (c) Section 161(a), including any standard or
2 procedure applicable thereunder, and section 161(b)
3 may be modified or superseded in whole or in part
4 by agreement of the Government of the United
5 States and the Government of the Republic of the
6 Marshall Islands.

7 (d) In the event that an Environmental Impact
8 Statement is no longer required under the laws of
9 the United States for major Federal actions signifi-
10 cantly affecting the quality of the human environ-
11 ment, the regulatory regime established under sec-
12 tions 161(a)(3) and 161(a)(4) shall continue to
13 apply to such activities of the Government of the
14 United States until amended by mutual agreement.

15 (e) The President of the United States may ex-
16 empt any of the activities of the Government of the
17 United States under this Compact, as amended, and
18 its related agreements from any environmental
19 standard or procedure which may be applicable
20 under sections 161(a)(3) and 161(a)(4) if the Presi-
21 dent determines it to be in the paramount interest
22 of the Government of the United States to do so,
23 consistent with Title Three of this Compact, as
24 amended, and the obligations of the Government of
25 the United States under international law. Prior to

1 any decision pursuant to this subsection, the views
2 of the Government of the Republic of the Marshall
3 Islands shall be sought and considered to the extent
4 practicable. If the President grants such an exemp-
5 tion, to the extent practicable, a report with his rea-
6 sons for granting such exemption shall be given
7 promptly to the Government of the Republic of the
8 Marshall Islands.

9 (f) The laws of the United States referred to in
10 section 161(a)(3) shall apply to the activities of the
11 Government of the United States under this Com-
12 pact, as amended, and its related agreements only to
13 the extent provided for in this section.

14 Section 162

15 The Government of the Republic of the Marshall Is-
16 lands may bring an action for judicial review of any ad-
17 ministrative agency action or any activity of the Govern-
18 ment of the United States pursuant to section 161(a) for
19 enforcement of the obligations of the Government of the
20 United States arising thereunder. The United States Dis-
21 trict Court for the District of Hawaii and the United
22 States District Court for the District of Columbia shall
23 have jurisdiction over such action or activity, and over ac-
24 tions brought under section 172(b) which relate to the ac-
25 tivities of the Government of the United States and its

1 officers and employees, governed by section 161, provided
2 that:

3 (a) Such actions may only be civil actions for
4 any appropriate civil relief other than punitive dam-
5 ages against the Government of the United States
6 or, where required by law, its officers in their official
7 capacity; no criminal actions may arise under this
8 section.

9 (b) Actions brought pursuant to this section
10 may be initiated only by the Government of the Re-
11 public of the Marshall Islands.

12 (c) Administrative agency actions arising under
13 section 161 shall be reviewed pursuant to the stand-
14 ard of judicial review set forth in 5 U.S.C. 706.

15 (d) The United States District Court for the
16 District of Hawaii and the United States District
17 Court for the District of Columbia shall have juris-
18 diction to issue all necessary processes, and the Gov-
19 ernment of the United States agrees to submit itself
20 to the jurisdiction of the court; decisions of the
21 United States District Court shall be reviewable in
22 the United States Court of Appeals for the Ninth
23 Circuit or the United States Court of Appeals for
24 the District of Columbia, respectively, or in the

1 United States Supreme Court as provided by the
2 laws of the United States.

3 (e) The judicial remedy provided for in this sec-
4 tion shall be the exclusive remedy for the judicial re-
5 view or enforcement of the obligations of the Gov-
6 ernment of the United States under this Article and
7 actions brought under section 172(b), which relate
8 to the activities of the Government of the United
9 States and its officers and employees governed by
10 section 161.

11 (f) In actions pursuant to this section, the Gov-
12 ernment of the Republic of the Marshall Islands
13 shall be treated as if it were a United States citizen.

14 Section 163

15 (a) For the purpose of gathering data necessary to
16 study the environmental effects of activities of the Govern-
17 ment of the United States subject to the requirements of
18 this Article, the Government of the Republic of the Mar-
19 shall Islands shall be granted access to facilities operated
20 by the Government of the United States in the Republic
21 of the Marshall Islands, to the extent necessary for this
22 purpose, except to the extent such access would unreason-
23 ably interfere with the exercise of the authority and re-
24 sponsibility of the Government of the United States under
25 Title Three.

1 (b) The Government of the United States, in turn,
2 shall be granted access to the Republic of the Marshall
3 Islands for the purpose of gathering data necessary to dis-
4 charge its obligations under this Article, except to the ex-
5 tent such access would unreasonably interfere with the ex-
6 ercise of the authority and responsibility of the Govern-
7 ment of the Republic of the Marshall Islands under Title
8 One, and to the extent necessary for this purpose shall
9 be granted access to documents and other information to
10 the same extent similar access is provided the Government
11 of the Republic of the Marshall Islands under the Freedom
12 of Information Act, 5 U.S.C. 552.

13 (c) The Government of the Republic of the Marshall
14 Islands shall not impede efforts by the Government of the
15 United States to comply with applicable standards and
16 procedures.

17 Article VII

18 General Legal Provisions

19 Section 171

20 Except as provided in this Compact, as amended, or
21 its related agreements, the application of the laws of the
22 United States to the Trust Territory of the Pacific Islands
23 by virtue of the Trusteeship Agreement ceased with re-
24 spect to the Marshall Islands on October 21, 1986, the
25 date the Compact went into effect.

1 Section 172

2 (a) Every citizen of the Republic of the Marshall Is-
3 lands who is not a resident of the United States shall enjoy
4 the rights and remedies under the laws of the United
5 States enjoyed by any non-resident alien.

6 (b) The Government of the Republic of the Marshall
7 Islands and every citizen of the Republic of the Marshall
8 Islands shall be considered to be a “person” within the
9 meaning of the Freedom of Information Act, 5 U.S.C.
10 552, and of the judicial review provisions of the Adminis-
11 trative Procedure Act, 5 U.S.C. 701-706, except that only
12 the Government of the Republic of the Marshall Islands
13 may seek judicial review under the Administrative Proce-
14 dure Act or judicial enforcement under the Freedom of
15 Information Act when such judicial review or enforcement
16 relates to the activities of the Government of the United
17 States governed by sections 161 and 162.

18 Section 173

19 The Governments of the United States and the Re-
20 public of the Marshall Islands agree to adopt and enforce
21 such measures, consistent with this Compact, as amended,
22 and its related agreements, as may be necessary to protect
23 the personnel, property, installations, services, programs
24 and official archives and documents maintained by the
25 Government of the United States in the Republic of the

1 Marshall Islands pursuant to this Compact, as amended,
2 and its related agreements and by the Government of the
3 Republic of the Marshall Islands in the United States pur-
4 suant to this Compact, Compact, as amended, and its re-
5 lated agreements.

6 Section 174

7 Except as otherwise provided in this Compact, as
8 amended, and its related agreements:

9 (a) The Government of the Republic of the
10 Marshall Islands, and its agencies and officials, shall
11 be immune from the jurisdiction of the court of the
12 United States, and the Government of the United
13 States, and its agencies and officials, shall be im-
14 mune from the jurisdiction of the courts of the Re-
15 public of the Marshall Islands.

16 (b) The Government of the United States ac-
17 cepts responsibility for and shall pay:

18 (1) any unpaid money judgment rendered
19 by the High Court of the Trust Territory of the
20 Pacific Islands against the Government of the
21 United States with regard to any cause of ac-
22 tion arising as a result of acts or omissions of
23 the Government of the Trust Territory of the
24 Pacific Islands or the Government of the
25 United States prior to October 21, 1986;

1 (2) any claim settled by the claimant and
2 the Government of the Trust Territory of the
3 Pacific Islands but not paid as of the October
4 21, 1986; and

5 (3) settlement of any administrative claim
6 or of any action before a court of the Trust
7 Territory of the Pacific Islands or the Govern-
8 ment of the United States, arising as a result
9 of acts or omissions of the Government of the
10 Trust Territory of the Pacific Islands or the
11 Government of the United States.

12 (c) Any claim not referred to in section 174(b)
13 and arising from an act or omission of the Govern-
14 ment of the Trust Territory of the Pacific Islands or
15 the Government of the United States prior to the ef-
16 fective date of the Compact shall be adjudicated in
17 the same manner as a claim adjudicated according
18 to section 174(d). In any claim against the Govern-
19 ment of the Trust Territory of the Pacific Islands,
20 the Government of the United States shall stand in
21 the place of the Government of the Trust Territory
22 of the Pacific Islands. A judgment on any claim re-
23 ferred to in section 174(b) or this subsection, not
24 otherwise satisfied by the Government of the United
25 States, may be presented for certification to the

1 United States Court of Appeals for the Federal Cir-
2 cuit, or its successor courts, which shall have juris-
3 diction therefore, notwithstanding the provisions of
4 28 U.S.C. 1502, and which court's decisions shall be
5 reviewable as provided by the laws of the United
6 States. The United States Court of Appeals for the
7 Federal Circuit shall certify such judgment, and
8 order payment thereof, unless it finds, after a hear-
9 ing, that such judgment is manifestly erroneous as
10 to law or fact, or manifestly excessive. In either of
11 such cases the United States Court of Appeals for
12 the Federal Circuit shall have jurisdiction to modify
13 such judgment.

14 (d) The Government of the Republic of the
15 Marshall Islands shall not be immune from the juris-
16 diction of the courts of the United States, and the
17 Government of the United States shall not be im-
18 mune from the jurisdiction of the courts of the Re-
19 public of the Marshall Islands in any civil case in
20 which an exception to foreign state immunity is set
21 forth in the Foreign Sovereign Immunities Act (28
22 U.S.C. 1602 et seq.) or its successor statutes.

23 Section 175

24 (a) A separate agreement, which shall come into ef-
25 fect simultaneously with this Compact, as amended, and

1 shall have the force of law, shall govern mutual assistance
2 and cooperation in law enforcement matters, including the
3 pursuit, capture, imprisonment and extradition of fugi-
4 tives from justice and the transfer of prisoners, as well
5 as other law enforcement matters. In the United States,
6 the laws of the United States governing international ex-
7 tradition, including 18 U.S.C. 3184, 3186, and 3188–95,
8 shall be applicable to the extradition of fugitives under the
9 separate agreement, and the laws of the United States
10 governing the transfer of prisoners, including 18 U.S.C.
11 4100–15, shall be applicable to the transfer of prisoners
12 under the separate agreement; and

13 (b) A separate agreement, which shall come into ef-
14 fect simultaneously with this Compact, as amended, and
15 shall have the force of law, shall govern requirements re-
16 lating to labor recruitment practices, including registra-
17 tion, reporting, suspension or revocation of authorization
18 to recruit persons for employment in the United States,
19 and enforcement for violations of such requirements.

20 Section 176

21 The Government of the Republic of the Marshall Is-
22 lands confirms that final judgments in civil cases rendered
23 by any court of the Trust Territory of the Pacific Islands
24 shall continue in full force and effect, subject to the con-
25 stitutional power of the courts of the Republic of the Mar-

1 shall Islands to grant relief from judgments in appropriate
2 cases.

3 Section 177

4 Section 177 of the Compact entered into force with
5 respect to the Marshall Islands on October 21, 1986 as
6 follows:

7 “(a) The Government of the United States ac-
8 cepts the responsibility for compensation owing to
9 citizens of the Marshall Islands, or the Federated
10 States of Micronesia, (or Palau) for loss or damage
11 to property and person of the citizens of the Mar-
12 shall Islands, or the Federated States of Micronesia,
13 resulting from the nuclear testing program which
14 the Government of the United States conducted in
15 the Northern Marshall Islands between June 30,
16 1946, and August 18, 1958.

17 (b) The Government of the United States and
18 the Government of the Marshall Islands shall set
19 forth in a separate agreement provisions for the just
20 and adequate settlement of all such claims which
21 have arisen in regard to the Marshall Islands and its
22 citizens and which have not as yet been compensated
23 or which in the future may arise, for the continued
24 administration by the Government of the United
25 States of direct radiation related medical surveil-

1 lance and treatment programs and radiological mon-
2 itoring activities and for such additional programs
3 and activities as may be mutually agreed, and for
4 the assumption by the Government of the Marshall
5 Islands of responsibility for enforcement of limita-
6 tions on the utilization of affected areas developed in
7 cooperation with the Government of the United
8 States and for the assistance by the Government of
9 the United States in the exercise of such responsi-
10 bility as may be mutually agreed. This separate
11 agreement shall come into effect simultaneously with
12 this Compact and shall remain in effect in accord-
13 ance with its own terms.

14 (c) The Government of the United States shall
15 provide to the Government of the Marshall Islands,
16 on a grant basis, the amount of \$150 million to be
17 paid and distributed in accordance with the separate
18 agreement referred to in this Section, and shall pro-
19 vide the services and programs set forth in this sep-
20 arate agreement, the language of which is incor-
21 porated into this Compact.”

22 The Compact, as amended, makes no changes to, and has
23 no effect upon, Section 177 of the Compact, nor does the
24 Compact, as amended, change or affect the separate
25 agreement referred to in Section 177 of the Compact in-

1 cluding Articles IX and X of that separate agreement, and
2 measures taken by the parties thereunder.

3 Section 178

4 (a) The Federal agencies of the Government of the
5 United States that provide services and related programs
6 in the Republic of the Marshall Islands pursuant to Title
7 Two are authorized to settle and pay tort claims arising
8 in the Republic of the Marshall Islands from the activities
9 of such agencies or from the acts or omissions of the em-
10 ployees of such agencies. Except as provided in section
11 178(b), the provisions of 28 U.S.C. 2672 and 31 U.S.C.
12 1304 shall apply exclusively to such administrative settle-
13 ments and payments.

14 (b) Claims under section 178(a) that cannot be set-
15 tled under section 178(a) shall be disposed of exclusively
16 in accordance with Article II of Title Four. Arbitration
17 awards rendered pursuant to this subsection shall be paid
18 out of funds under 31 U.S.C. 1304.

19 (c) The Government of the United States and the
20 Government of the Republic of the Marshall Islands shall,
21 in the separate agreement referred to in section 231, pro-
22 vide for:

23 (1) the administrative settlement of claims re-
24 ferred to in section 178(a), including designation of
25 local agents in each State of the Republic of the

1 Marshall Islands; such agents to be empowered to
2 accept, investigate and settle such claims, in a timely
3 manner, as provided in such separate agreements;
4 and

5 (2) arbitration, referred to in section 178(b), in
6 a timely manner, at a site convenient to the claim-
7 ant, in the event a claim is not otherwise settled
8 pursuant to section 178(a).

9 (d) The provisions of section 174(d) shall not apply
10 to claims covered by this section.

11 (e) Except as otherwise explicitly provided by law of
12 the United States, this Compact, as amended, or its re-
13 lated agreements, neither the Government of the United
14 States, its instrumentalities, nor any person acting on be-
15 half of the Government of the United States, shall be
16 named a party in any action based on, or arising out of,
17 the activity or activities of a recipient of any grant or other
18 assistance provided by the Government of the United
19 States (or the activity or activities of the recipient's agen-
20 cy or any other person or entity acting on behalf of the
21 recipient).

22 Section 179

23 (a) The courts of the Republic of the Marshall Is-
24 lands shall not exercise criminal jurisdiction over the Gov-
25 ernment of the United States, or its instrumentalities.

1 (b) The courts of the Republic of the Marshall Is-
2 lands shall not exercise criminal jurisdiction over any per-
3 son if the Government of the United States provides notifi-
4 cation to the Government of the Republic of the Marshall
5 Islands that such person was acting on behalf of the Gov-
6 ernment of the United States, for actions taken in further-
7 ance of section 221 or 224 of this amended Compact, or
8 any other provision of law authorizing financial, program,
9 or service assistance to the Republic of the Marshall Is-
10 lands.

11 TITLE TWO

12 ECONOMIC RELATIONS

13 Article I

14 Grant Assistance

15 Section 211 - Annual Grant Assistance

16 (a) In order to assist the Government of the Republic
17 of the Marshall Islands in its efforts to promote the eco-
18 nomic advancement and budgetary self-reliance of its peo-
19 ple, and in recognition of the special relationship that ex-
20 ists between the Republic of the Marshall Islands and the
21 United States, the Government of the United States shall
22 provide assistance on a grant basis for a period of twenty
23 years in the amounts set forth in section 217, commencing
24 on the effective date of this Compact, as amended. Such
25 grants shall be used for assistance in education, health

1 care, the environment, public sector capacity building, and
2 private sector development, or for other areas as mutually
3 agreed, with priorities in the education and health care
4 sectors. Consistent with the medium-term budget and in-
5 vestment framework described in subsection (f) of this sec-
6 tion, the proposed division of this amount among the iden-
7 tified areas shall require the concurrence of both the Gov-
8 ernment of the United States and the Government of the
9 Republic of the Marshall Islands, through the Joint Eco-
10 nomic Management and Financial Accountability Com-
11 mittee described in section 214. The Government of the
12 United States shall disburse the grant assistance and
13 monitor the use of such grant assistance in accordance
14 with the provisions of this Article and an Agreement Con-
15 cerning Procedures for the Implementation of United
16 States Economic Assistance Provided in the Compact, as
17 Amended, of Free Association Between the Government
18 of the United States of America and the Government of
19 the Republic of the Marshall Islands (“Fiscal Procedures
20 Agreement”) which shall come into effect simultaneously
21 with this Compact, as amended.

22 (1) EDUCATION.—United States grant assist-
23 ance shall be made available in accordance with the
24 strategic framework described in subsection (f) of
25 this section to support and improve the educational

1 system of the Republic of the Marshall Islands and
2 develop the human, financial, and material resources
3 necessary for the Republic of the Marshall Islands to
4 perform these services. Emphasis should be placed
5 on advancing a quality basic education system.

6 (2) HEALTH.—United States grant assistance
7 shall be made available in accordance with the stra-
8 tegic framework described in subsection (f) of this
9 section to support and improve the delivery of pre-
10 ventive, curative and environmental care and develop
11 the human, financial, and material resources nec-
12 essary for the Republic of the Marshall Islands to
13 perform these services.

14 (3) PRIVATE SECTOR DEVELOPMENT.—United
15 States grant assistance shall be made available in
16 accordance with the strategic framework described
17 in subsection (f) of this section to support the ef-
18 forts of the Republic of the Marshall Islands to at-
19 tract foreign investment and increase indigenous
20 business activity by vitalizing the commercial envi-
21 ronment, ensuring fair and equitable application of
22 the law, promoting adherence to core labor stand-
23 ards, maintaining progress toward privatization of
24 state-owned and partially state-owned enterprises,
25 and engaging in other reforms.

1 (4) CAPACITY BUILDING IN THE PUBLIC SEC-
2 TOR.—United States grant assistance shall be made
3 available in accordance with the strategic framework
4 described in subsection (f) of this section to support
5 the efforts of the Republic of the Marshall Islands
6 to build effective, accountable and transparent na-
7 tional and local government and other public sector
8 institutions and systems.

9 (5) ENVIRONMENT.—United States grant as-
10 sistance shall be made available in accordance with
11 the strategic framework described in subsection (f)
12 of this section to increase environmental protection;
13 establish and manage conservation areas; engage in
14 environmental infrastructure planning, design con-
15 struction and operation; and to involve the citizens
16 of the Republic of the Marshall Islands in the proc-
17 ess of conserving their country's natural resources.

18 (b) KWAJALEIN ATOLL.—

19 (1) Of the total grant assistance made available
20 under subsection (a) of this section, the amount
21 specified herein shall be allocated annually from fis-
22 cal year 2004 through fiscal year 2023 (and there-
23 after in accordance with the Agreement between the
24 Government of the United States and the Govern-
25 ment of the Republic of the Marshall Islands Re-

1 garding Military Use and Operating Rights) to ad-
2 vance the objectives and specific priorities set forth
3 in subsections (a) and (d) of this section and the
4 Fiscal Procedures Agreement, to address the special
5 needs of the community at Ebeye, Kwajalein Atoll
6 and other Marshallese communities within Kwajalein
7 Atoll. This United States grant assistance shall be
8 made available, in accordance with the medium-term
9 budget and investment framework described in sub-
10 section (f) of this section, to support and improve
11 the infrastructure and delivery of services and de-
12 velop the human and material resources necessary
13 for the Republic of the Marshall Islands to carry out
14 its responsibility to maintain such infrastructure and
15 deliver such services. The amount of this assistance
16 shall be \$3,100,000, with an inflation adjustment as
17 provided in section 218, from fiscal year 2004
18 through fiscal year 2013 and the fiscal year 2013
19 level of funding, with an inflation adjustment as pro-
20 vided in section 218, will be increased by \$2 million
21 for fiscal year 2014. The fiscal year 2014 level of
22 funding, with an inflation adjustment as provided in
23 section 218, will be made available from fiscal year
24 2015 through fiscal year 2023 (and thereafter as
25 noted above).

1 (2) The Government of the United States shall
2 also provide to the Government of the Republic of
3 the Marshall Islands, in conjunction with section
4 321(a) of this Compact, as amended, an annual pay-
5 ment from fiscal year 2004 through fiscal year 2023
6 (and thereafter in accordance with the Agreement
7 between the Government of the United States and
8 the Government of the Republic of the Marshall Is-
9 lands Regarding Military Use and Operating Rights)
10 of \$1.9 million. This grant assistance will be subject
11 to the Fiscal Procedures Agreement and will be ad-
12 justed for inflation under section 218 and used to
13 address the special needs of the community at
14 Ebeye, Kwajalein Atoll and other Marshallese com-
15 munities within Kwajalein Atoll with emphasis on
16 the Kwajalein landowners, as described in the Fiscal
17 Procedures Agreement.

18 (3) Of the total grant assistance made available
19 under subsection (a) of this section, and in conjunc-
20 tion with section 321(a) of the Compact, as amend-
21 ed, \$200,000, with an inflation adjustment as pro-
22 vided in section 218, shall be allocated annually
23 from fiscal year 2004 through fiscal year 2023 (and
24 thereafter as provided in the Agreement between the
25 Government of the United States and the Govern-

1 ment of the Republic of the Marshall Islands Re-
2 garding Military Use and Operating Rights) for a
3 grant to support increased participation of the Gov-
4 ernment of the Republic of the Marshall Islands En-
5 vironmental Protection Authority in the annual U.S.
6 Army Kwajalein Atoll Environmental Standards
7 Survey and to promote a greater Government of the
8 Republic of the Marshall Islands capacity for inde-
9 pendent analysis of the Survey's findings and con-
10 clusions.

11 (c) HUMANITARIAN ASSISTANCE-REPUBLIC OF THE
12 MARSHALL ISLANDS PROGRAM.—In recognition of the
13 special development needs of the Republic of the Marshall
14 Islands, the Government of the United States shall make
15 available to the Government of the Republic of the Mar-
16 shall Islands, on its request and to be deducted from the
17 grant amount made available under subsection (a) of this
18 section, a Humanitarian Assistance - Republic of the Mar-
19 shall Islands ("HARMI") Program with emphasis on
20 health, education, and infrastructure (including transpor-
21 tation), projects and such other projects as mutually
22 agreed. The terms and conditions of the HARMI shall be
23 set forth in the Agreement Regarding the Military Use
24 and Operating Rights of the Government of the United
25 States in the Republic of the Marshall Islands Concluded

1 Pursuant to Sections 321 and 323 of the Compact of Free
2 Association, as Amended, which shall come into effect si-
3 multaneously with the amendments to this Compact.

4 (d) PUBLIC INFRASTRUCTURE.—

5 (1) Unless otherwise agreed, not less than 30
6 percent and not more than 50 percent of U.S. an-
7 nual grant assistance provided under this section
8 shall be made available in accordance with a list of
9 specific projects included in the infrastructure im-
10 provement and maintenance plan prepared by the
11 Government of the Republic of the Marshall Islands
12 as part of the strategic framework described in sub-
13 section (f) of this section.

14 (2) INFRASTRUCTURE MAINTENANCE FUND.—

15 Five percent of the annual public infrastructure
16 grant made available under paragraph (1) of this
17 subsection shall be set aside, with an equal contribu-
18 tion from the Government of the Republic of the
19 Marshall Islands, as a contribution to an Infrastruc-
20 ture Maintenance Fund. Administration of the In-
21 frastructure Maintenance Fund shall be governed by
22 the Fiscal Procedures Agreement.

23 (e) DISASTER ASSISTANCE EMERGENCY FUND.—Of
24 the total grant assistance made available under subsection
25 (a) of this section, an amount of two hundred thousand

1 dollars (\$200,000) shall be provided annually, with an
2 equal contribution from the Government of the Republic
3 of the Marshall Islands, as a contribution to a Disaster
4 Assistance Emergency Fund (“DAEF”). Any funds from
5 the DAEF may be used only for assistance and rehabilita-
6 tion resulting from disasters and emergencies. The funds
7 will be accessed upon declaration of a State of Emergency
8 by the Government of the Republic of the Marshall Is-
9 lands, with the concurrence of the United States Chief of
10 Mission to the Republic of the Marshall Islands. Adminis-
11 tration of the DAEF shall be governed by the Fiscal Pro-
12 cedures Agreement.

13 (f) BUDGET AND INVESTMENT FRAMEWORK.—The
14 Government of the Republic of the Marshall Islands shall
15 prepare and maintain an official medium-term budget and
16 investment framework. The framework shall be strategic
17 in nature, shall be continuously reviewed and updated
18 through the annual budget process, and shall make projec-
19 tions on a multi-year rolling basis. Each of the sectors
20 and areas named in subsections (a), (b), and (d) of this
21 section, or other sectors and areas as mutually agreed,
22 shall be accorded specific treatment in the framework.
23 Those portions of the framework that contemplate the use
24 of United States grant funds shall require the concurrence

1 of both the Government of the United States and the Gov-
2 ernment of the Republic of the Marshall Islands.

3 Section 212 - Kwajalein Impact and Use

4 The Government of the United States shall provide
5 to the Government of the Republic of the Marshall Islands
6 in conjunction with section 321(a) of the Compact, as
7 amended, and the agreement between the Government of
8 the United States and the Government of the Republic of
9 the Marshall Islands regarding military use and operating
10 rights, a payment in fiscal year 2004 of \$15,000,000, with
11 no adjustment for inflation. In fiscal year 2005 and
12 through fiscal year 2013, the annual payment will be the
13 fiscal year 2004 amount (\$15,000,000) with an inflation
14 adjustment as provided under section 218. In fiscal year
15 2014, the annual payment will be \$18,000,000 (with no
16 adjustment for inflation) or the fiscal year 2013 amount
17 with an inflation adjustment under section 218, whichever
18 is greater. For fiscal year 2015 through fiscal year 2023
19 (and thereafter in accordance with the Agreement between
20 the Government of the United States and the Government
21 of the Republic of the Marshall Islands Regarding Military
22 Use and Operating Rights) the annual payment will be
23 the fiscal year 2014 amount, with an inflation adjustment
24 as provided under section 218.

25 Section 213 - Accountability

1 (a) Regulations and policies normally applicable to
2 United States financial assistance to its state and local
3 governments, as set forth in the Fiscal Procedures Agree-
4 ment, shall apply to each grant described in section 211,
5 and to grants administered under section 221 below, ex-
6 cept as modified in the separate agreements referred to
7 in section 231 of this Compact, as amended, or by U.S.
8 law. As set forth in the Fiscal Procedures Agreement, rea-
9 sonable terms and conditions, including annual perform-
10 ance indicators that are necessary to ensure effective use
11 of United States assistance and reasonable progress to-
12 ward achieving program objectives may be attached. In ad-
13 dition, the United States may seek appropriate remedies
14 for noncompliance with the terms and conditions attached
15 to the assistance, or for failure to comply with section 234,
16 including withholding assistance.

17 (b) The Government of the United States shall, for
18 each fiscal year of the twenty years during which assist-
19 ance is to be provided on a sector grant basis under sec-
20 tion 211 (a), grant the Government of the Republic of the
21 Marshall Islands an amount equal to the lesser of (i) one
22 half of the reasonable, properly documented cost incurred
23 during such fiscal year to conduct the annual audit re-
24 quired under Article VIII (2) of the Fiscal Procedures

1 Agreement or (ii) \$500,000. Such amount will not be ad-
2 justed for inflation under section 218 or otherwise.

3 Section 214 - Joint Economic Management and Financial
4 Accountability Committee

5 The Governments of the United States and the Re-
6 public of the Marshall Islands shall establish a Joint Eco-
7 nomic Management and Financial Accountability Com-
8 mittee, composed of a U.S. chair, two other members from
9 the Government of the United States and two members
10 from the Government of the Republic of the Marshall Is-
11 lands. The Joint Economic Management and Financial
12 Accountability Committee shall meet at least once each
13 year to review the audits and reports required under this
14 Title and the Fiscal Procedures Agreement, evaluate the
15 progress made by the Republic of the Marshall Islands in
16 meeting the objectives identified in its framework de-
17 scribed in subsection (f) of section 211, with particular
18 focus on those parts of the framework dealing with the
19 sectors and areas identified in subsection (a) of section
20 211, identify problems encountered, and recommend ways
21 to increase the effectiveness of U.S. assistance made avail-
22 able under this Title. The establishment and operations
23 of the Joint Economic Management and Financial Ac-
24 countability Committee shall be governed by the Fiscal
25 Procedures Agreement.

1 Section 215 - Annual Report

2 The Government of the Republic of the Marshall Is-
3 lands shall report annually to the President of the United
4 States on the use of United States sector grant assistance
5 and other assistance and progress in meeting mutually
6 agreed program and economic goals. The Joint Economic
7 Management and Financial Accountability Committee
8 shall review and comment on the report and make appro-
9 priate recommendations based thereon.

10 Section 216 - Trust Fund

11 (a) The United States shall contribute annually for
12 twenty years from the effective date of the Compact, as
13 amended, in the amounts set forth in section 217 into a
14 trust fund established in accordance with the Agreement
15 Between the Government of the United States of America
16 and the Government of the Republic of the Marshall Is-
17 lands Implementing Section 216 and Section 217 of the
18 Compact, as Amended, Regarding a Trust Fund ("Trust
19 Fund Agreement"), which shall come into effect simulta-
20 neously with this Compact, as amended. Upon termination
21 of the annual grant assistance under section 211 (a), (d)
22 and (e), the earnings of the fund shall thereafter be used
23 for the purposes described in section 211 or as otherwise
24 mutually agreed.

1 (b) The United States contribution into the Trust
2 Fund described in subsection (a) of this section is condi-
3 tioned on the Government of the Republic of the Marshall
4 Islands contributing to the Trust Fund at least
5 \$25,000,000, on the effective date of the Trust Fund
6 Agreement or on October 1, 2003, whichever is later,
7 \$2,500,000 prior to October 1, 2004, and \$2,500,000
8 prior to October 1, 2005. Any funds received by the Re-
9 public of the Marshall Islands under section 111(d) of
10 Public Law 99-239 (January 14, 1986), or successor pro-
11 visions, would be contributed to the Trust Fund as a Re-
12 public of the Marshall Islands' contribution.

13 (c) The terms regarding the investment and manage-
14 ment of funds and use of the income of the Trust Fund
15 shall be governed by the Trust Fund Agreement. Funds
16 derived from United States investment shall not be subject
17 to Federal or state taxes in the United States or any taxes
18 in the Republic of the Marshall Islands. The Trust Fund
19 Agreement shall also provide for annual reports to the
20 Government of the United States and to the Government
21 of the Republic of the Marshall Islands. The Trust Fund
22 Agreement shall provide for appropriate distributions of
23 trust fund proceeds to the Republic of the Marshall Is-
24 lands and for appropriate remedies for the failure of the
25 Republic of the Marshall Islands to use income of the

1 Trust Fund for the annual grant purposes set forth in
2 section 211. These remedies may include the return to the
3 United States of the present market value of its contribu-
4 tions to the Trust Fund and the present market value of
5 any undistributed income on the contributions of the
6 United States. If this Compact, as amended, is termi-
7 nated, the provisions of sections 451–453 of the Compact,
8 as amended, and the Trust Fund Agreement shall govern
9 treatment of any U.S. contributions to the Trust Fund
10 or accrued income thereon.

11 Section 217 - Annual Grant Funding and Trust Fund 12 Contributions

13 The funds described in sections 211, 212, 213(b),
14 and 216 shall be made available as follows:

[In millions of dollars]

Fiscal year	Annual Grants Section 211	Audit Grant Section 213(b)	Trust Fund Section 216 (a&c)	Kwajalein Impact Section 212	Total
2004	35.2	.5	7	15.0	57.7
2005	34.7	.5	7.5	15.0	57.7
2006	34.2	.5	8	15.0	57.7
2007	33.7	.5	8.5	15.0	57.7
2008	33.2	.5	9	15.0	57.7
2009	32.7	.5	9.5	15.0	57.7
2010	32.2	.5	10	15.0	57.7
2011	31.7	.5	10.5	15.0	57.7
2012	31.2	.5	11	15.0	57.7
2013	30.7	.5	11.5	15.0	57.7
2014	32.2	.5	12	18.0	62.7
2015	31.7	.5	12.5	18.0	62.7
2016	31.2	.5	13	18.0	62.7
2017	30.7	.5	13.5	18.0	62.7
2018	30.2	.5	14	18.0	62.7
2019	29.7	.5	14.5	18.0	62.7
2020	29.2	.5	15	18.0	62.7
2021	28.7	.5	15.5	18.0	62.7
2022	28.2	.5	16	18.0	62.7
2023	27.7	.5	16.5	18.0	62.7

15 Section 218 - Inflation Adjustment

1 Except as otherwise provided, the amounts stated in
2 this Title shall be adjusted for each United States Fiscal
3 Year by the percent that equals two-thirds of the percent
4 change in the United States Gross Domestic Product Im-
5 plicit Price Deflator, or 5 percent, whichever is less in any
6 one year, using the beginning of Fiscal Year 2004 as a
7 base.

8 Section 219 - Carry-Over of Unused Funds

9 If in any year the funds made available by the Gov-
10 ernment of the United States for that year pursuant to
11 this Article are not completely obligated by the Govern-
12 ment of the Republic of the Marshall Islands, the unobli-
13 gated balances shall remain available in addition to the
14 funds to be provided in subsequent years.

15 Article II

16 Services and Program Assistance

17 Section 221

18 (a) SERVICES.—The Government of the United
19 States shall make available to the Republic of the Marshall
20 Islands, in accordance with and to the extent provided in
21 the Federal Programs and Services Agreement referred to
22 in Section 231, the services and related programs of:

23 (1) the United States Weather Service;

24 (2) the United States Postal Service;

1 (3) the United States Federal Aviation Admin-
2 istration;

3 (4) the United States Department of Transpor-
4 tation; and

5 (5) the Department of Homeland Security, and
6 the United States Agency for International Develop-
7 ment, Office of Foreign Disaster Assistance.

8 Upon the effective date of this Compact, as amended, the
9 United States Departments and Agencies named or having
10 responsibility to provide these services and related pro-
11 grams shall have the authority to implement the relevant
12 provisions of the Federal Programs and Services Agree-
13 ment referred to in section 231.

14 (b) PROGRAMS.—

15 (1) Other than the services and programs cov-
16 ered by subsection (a) of this section, and to the ex-
17 tent authorized by the Congress of the United
18 States, the Government of the United States shall
19 make available to the Republic of the Marshall Is-
20 lands the services and programs that were available
21 to the Republic of the Marshall Islands on the effec-
22 tive date of this Compact, as amended, to the extent
23 that such services and programs continue to be
24 available to State and local governments of the
25 United States. As set forth in the Fiscal Procedures

1 Agreement, funds provided under subsection (a) of
2 section 211 shall be considered to be local revenues
3 of the Government of the Republic of the Marshall
4 Islands when used as the local share required to ob-
5 tain Federal programs and services.

6 (2) Unless provided otherwise by U.S. law, the
7 services and programs described in paragraph (1) of
8 this subsection shall be extended in accordance with
9 the terms of the Federal Programs and Services
10 Agreement.

11 (c) The Government of the United States shall have
12 and exercise such authority as is necessary to carry out
13 its responsibilities under this Title and the Federal Pro-
14 grams and Services Agreement, including the authority to
15 monitor and administer all service and program assistance
16 provided by the United States to the Republic of the Mar-
17 shall Islands. The Federal Programs and Services Agree-
18 ment shall also set forth the extent to which services and
19 programs shall be provided to the Republic of the Marshall
20 Islands.

21 (d) Except as provided elsewhere in this Compact, as
22 amended, under any separate agreement entered into
23 under this Compact, as amended, or otherwise under U.S.
24 law, all Federal domestic programs extended to or oper-
25 ating in the Republic of the Marshall Islands shall be sub-

1 ject to all applicable criteria, standards, reporting require-
2 ments, auditing procedures, and other rules and regula-
3 tions applicable to such programs and services when oper-
4 ating in the United States.

5 (e) The Government of the United States shall make
6 available to the Republic of the Marshall Islands alternate
7 energy development projects, studies, and conservation
8 measures to the extent provided for the Freely Associated
9 States in the laws of the United States.

10 Section 222

11 The Government of the United States and the Gov-
12 ernment of the Republic of the Marshall Islands may agree
13 from time to time to extend to the Republic of the Mar-
14 shall Islands additional United States grant assistance,
15 services and programs, as provided under the laws of the
16 United States. Unless inconsistent with such laws, or oth-
17 erwise specifically precluded by the Government of the
18 United States at the time such additional grant assistance,
19 services, or programs are extended, the Federal Programs
20 and Services Agreement shall apply to any such assist-
21 ance, services or programs.

22 Section 223

23 The Government of the Republic of the Marshall Is-
24 lands shall make available to the Government of the
25 United States at no cost such land as may be necessary

1 for the operations of the services and programs provided
2 pursuant to this Article, and such facilities as are provided
3 by the Government of the Republic of the Marshall Islands
4 at no cost to the Government of the United States as of
5 the effective date of this Compact, as amended, or as may
6 be mutually agreed thereafter.

7 Section 224

8 The Government of the Republic of the Marshall Is-
9 lands may request, from the time to time, technical assist-
10 ance from the Federal agencies and institutions of the
11 Government of the United States, which are authorized
12 to grant such technical assistance in accordance with its
13 laws. If technical assistance is granted pursuant to such
14 a request, the Government of the United States shall pro-
15 vide the technical assistance in a manner which gives pri-
16 ority consideration to the Republic of the Marshall Islands
17 over other recipients not a part of the United States, its
18 territories or possessions, and equivalent consideration to
19 the Republic of the Marshall Islands with respect to other
20 states in Free Association with the United States. Such
21 assistance shall be made available on a reimbursable or
22 non-reimbursable basis to the extent provided by United
23 States law.

1 Article III

2 Administrative Provisions

3 Section 231

4 The specific nature, extent and contractual arrange-
5 ments of the services and programs provided for in section
6 221 of this Compact, as amended, as well as the legal sta-
7 tus of agencies of the Government of the United States,
8 their civilian employees and contractors, and the depend-
9 ents of such personnel while present in the Republic of
10 the Marshall Islands, and other arrangements in connec-
11 tion with the assistance, services, or programs furnished
12 by the Government of the United States, are set forth in
13 a Federal Programs and Services Agreement which shall
14 come into effect simultaneously with this Compact, as
15 amended.

16 Section 232

17 The Government of the United States, in consultation
18 with the Government of the Republic of the Marshall Is-
19 lands, shall determine and implement procedures for the
20 periodic audit of all grants and other assistance made
21 under Article I of this Title and of all funds expended for
22 the services and programs provided under Article II of this
23 Title. Further, in accordance with the Fiscal Procedures
24 Agreement described in subsection (a) of section 211, the
25 Comptroller General of the United States shall have such

1 powers and authorities as described in sections 103(m)
2 and 110(c) of Public Law 99–239, 99 Stat. 1777–78, and
3 99 Stat. 1799 (January 14, 1986).

4 Section 233

5 Approval of this Compact, as amended, by the Gov-
6 ernment of the United States, in accordance with its con-
7 stitutional processes, shall constitute a pledge by the
8 United States that the sums and amounts specified as
9 grants in section 211 of this Compact, as amended, shall
10 be appropriated and paid to the Republic of the Marshall
11 Islands for such period as those provisions of this Com-
12 pact, as amended, remain in force, provided that the Re-
13 public of the Marshall Islands complies with the terms and
14 conditions of this Title and related subsidiary agreements.

15 Section 234

16 The Government of the Republic of the Marshall Is-
17 lands pledges to cooperate with, permit, and assist if rea-
18 sonably requested, designated and authorized representa-
19 tives of the Government of the United States charged with
20 investigating whether Compact funds, or any other assist-
21 ance authorized under this Compact, as amended, have,
22 or are being, used for purposes other than those set forth
23 in this Compact, as amended, or its subsidiary agree-
24 ments. In carrying out this investigative authority, such
25 United States Government representatives may request

1 that the Government of the Republic of the Marshall Is-
2 lands subpoena documents and records and compel testi-
3 mony in accordance with the laws and Constitution of the
4 Republic of the Marshall Islands. Such assistance by the
5 Government of the Republic of the Marshall Islands to the
6 Government of the United States shall not be unreason-
7 ably withheld. The obligation of the Government of the
8 Marshall Islands to fulfill its pledge herein is a condition
9 to its receiving payment of such funds or other assistance
10 authorized under this Compact, as amended. The Govern-
11 ment of the United States shall pay any reasonable costs
12 for extraordinary services executed by the Government of
13 the Marshall Islands in carrying out the provisions of this
14 section.

15 Article IV

16 Trade

17 Section 241

18 The Republic of the Marshall Islands is not included
19 in the customs territory of the United States.

20 Section 242

21 The President shall proclaim the following tariff
22 treatment for articles imported from the Republic of the
23 Marshall Islands which shall apply during the period of
24 effectiveness of this title:

1 (a) Unless otherwise excluded, articles imported
2 from the Republic of the Marshall Islands, subject to
3 the limitations imposed under section 503(b) of title
4 V of the Trade Act of 1974 (19 U.S.C. 2463(b)),
5 shall be exempt from duty.

6 (b) Only tuna in airtight containers provided
7 for in heading 1604.14.22 of the Harmonized Tariff
8 Schedule of the United States that is imported from
9 the Republic of the Marshall Islands and the Fed-
10 erated States of Micronesia during any calendar
11 year not to exceed 10 percent of apparent United
12 States consumption of tuna in airtight containers
13 during the immediately preceding calendar year, as
14 reported by the National Marine Fisheries Service,
15 shall be exempt from duty; but the quantity of tuna
16 given duty-free treatment under this paragraph for
17 any calendar year shall be counted against the ag-
18 gregated quantity of tuna in airtight containers that
19 is dutiable under rate column numbered 1 of such
20 heading 1604.14.22 for that calendar year.

21 (c) The duty-free treatment provided under
22 subsection (a) shall not apply to:

23 (1) watches, clocks, and timing apparatus
24 provided for in Chapter 91, excluding heading

1 9113, of the Harmonized Tariff Schedule of the
2 United States;

3 (2) buttons (whether finished or not fin-
4 ished) provided for in items 9606.21.40 and
5 9606.29.20 of such Schedule;

6 (3) textile and apparel articles which are
7 subject to textile agreements; and

8 (4) footwear, handbags, luggage, flat
9 goods, work gloves, and leather wearing apparel
10 which were not eligible articles for purposes of
11 title V of the Trade Act of 1974 (19 U.S.C.
12 2461, et seq.) on April 1, 1984.

13 (d) If the cost or value of materials produced
14 in the customs territory of the United States is in-
15 cluded with respect to an eligible article which is a
16 product of the Republic of the Marshall Islands, an
17 amount not to exceed 15 percent of the appraised
18 value of the article at the time it is entered that is
19 attributable to such United States cost or value may
20 be applied for duty assessment purposes toward de-
21 termining the percentage referred to in section
22 503(a)(2) of title V of the Trade Act of 1974.

23 Section 243

1 Articles imported from the Republic of the Marshall
2 Islands which are not exempt from duty under subsections
3 (a), (b), (c), and

4 (d) of section 242 shall be subject to the rates of duty
5 set forth in column numbered 1-general of the Har-
6 monized Tariff Schedule of the United States (HTSUS).
7 Section 244

8 (a) All products of the United States imported into
9 the Republic of the Marshall Islands shall receive treat-
10 ment no less favorable than that accorded like products
11 of any foreign country with respect to customs duties or
12 charges of a similar nature and with respect to laws and
13 regulations relating to importation, exportation, taxation,
14 sale, distribution, storage or use.

15 (b) The provisions of subsection (a) shall not apply
16 to advantages accorded by the Republic of the Marshall
17 Islands by virtue of their full membership in the Pacific
18 Island Countries Trade Agreement (PICTA), done on Au-
19 gust, 18, 2001, to those governments listed in Article 26
20 of PICTA, as of the date the Compact, as amended, is
21 signed.

22 (c) Prior to entering into consultations on, or con-
23 cluding, a free trade agreement with governments not list-
24 ed in Article 26 of PICTA, the Republic of the Marshall
25 Islands shall consult with the United States regarding

1 whether or how subsection (a) of section 244 shall be ap-
2 plied.

3 Article V

4 Finance and Taxation

5 Section 251

6 The currency of the United States is the official cir-
7 culating legal tender of the Republic of the Marshall Is-
8 lands. Should the Government of the Republic of the Mar-
9 shall Islands act to institute another currency, the terms
10 of an appropriate currency transitional period shall be as
11 agreed with the Government of the United States.

12 Section 252

13 The Government of the Republic of the Marshall Is-
14 lands may, with respect to United States persons, tax in-
15 come derived from sources within its respective jurisdic-
16 tion, property situated therein, including transfers of such
17 property by gift or at death, and products consumed there-
18 in, in such manner as the Government of the Republic of
19 the Marshall Islands deems appropriate. The determina-
20 tion of the source of any income, or the situs of any prop-
21 erty, shall for purposes of this Compact, as amended, be
22 made according to the United States Internal Revenue
23 Code.

24 Section 253

1 A citizen of the Republic of the Marshall Islands,
2 domiciled therein, shall be exempt from estate, gift, and
3 generation-skipping transfer taxes imposed by the Govern-
4 ment of the United States, provided that such citizen of
5 the Republic of the Marshall Islands is neither a citizen
6 nor a resident of the United States.

7 Section 254

8 (a) In determining any income tax imposed by the
9 Government of the Republic of the Marshall Islands, the
10 Government of the Republic of the Marshall Islands shall
11 have authority to impose tax upon income derived by a
12 resident of the Republic of the Marshall Islands from
13 sources without the Republic of the Marshall Islands, in
14 the same manner and to the same extent as the Govern-
15 ment of the Republic of the Marshall Islands imposes tax
16 upon income derived from within its own jurisdiction. If
17 the Government of the Republic of the Marshall Islands
18 exercises such authority as provided in this subsection,
19 any individual resident of the Republic of the Marshall Is-
20 lands who is subject to tax by the Government of the
21 United States on income which is also taxed by the Gov-
22 ernment of the Republic of the Marshall Islands shall be
23 relieved of liability to the Government of the United States
24 for the tax which, but for this subsection, would otherwise
25 be imposed by the Government of the United States on

1 such income. However, the relief from liability to the
2 United States Government referred to in the preceding
3 sentence means only relief in the form of the foreign tax
4 credit (or deduction in lieu thereof) available with respect
5 to the income taxes of a possession of the United States,
6 and relief in the form of the exclusion under section 911
7 of the Internal Revenue Code of 1986. For purposes of
8 this section, the term “resident of the Republic of the
9 Marshall Islands” shall be deemed to include any person
10 who was physically present in the Republic of the Marshall
11 Islands for a period of 183 or more days during any tax-
12 able year.

13 (b) If the Government of the Republic of the Marshall
14 Islands subjects income to taxation substantially similar
15 to that which was imposed by the Trust Territory Code
16 in effect on January 1, 1980, such Government shall be
17 deemed to have exercised the authority described in sec-
18 tion 254(a).

19 Section 255

20 For purposes of section 274(h)(3)(A) of the U.S. In-
21 ternal Revenue Code of 1986, the term “North American
22 Area” shall include the Republic of the Marshall Islands.

1

TITLE THREE

2

SECURITY AND DEFENSE RELATIONS

3

Article I

4

Authority and Responsibility

5

Section 311

6

(a) The Government of the United States has full authority and responsibility for security and defense matters in or relating to the Republic of the Marshall Islands.

9

(b) This authority and responsibility includes:

10

(1) the obligation to defend the Republic of the Marshall Islands and its people from attack or threats thereof as the United States and its citizens are defended;

14

(2) the option to foreclose access to or use of the Republic of the Marshall Islands by military personnel or for the military purposes of any third country; and

18

(3) the option to establish and use military areas and facilities in the Republic of the Marshall Islands, subject to the terms of the separate agreements referred to in sections 321 and 323.

22

(c) The Government of the United States confirms that it shall act in accordance with the principles of international law and the Charter of the United Nations in the exercise of this authority and responsibility.

25

1 Section 312

2 Subject to the terms of any agreements negotiated
3 in accordance with sections 321 and 323, the Government
4 of the United States may conduct within the lands, waters
5 and airspace of the Republic of the Marshall Islands the
6 activities and operations necessary for the exercise of its
7 authority and responsibility under this Title.

8 Section 313

9 (a) The Government of the Republic of the Marshall
10 Islands shall refrain from actions that the Government of
11 the United States determines, after appropriate consulta-
12 tion with that Government, to be incompatible with its au-
13 thority and responsibility for security and defense matters
14 in or relating to the Republic of the Marshall Islands.

15 (b) The consultations referred to in this section shall
16 be conducted expeditiously at senior levels of the two Gov-
17 ernments, and the subsequent determination by the Gov-
18 ernment of the United States referred to in this section
19 shall be made only at senior interagency levels of the Gov-
20 ernment of the United States.

21 (c) The Government of the Republic of the Marshall
22 Islands shall be afforded, on an expeditious basis, an op-
23 portunity to raise its concerns with the United States Sec-
24 retary of State personally and the United States Secretary

1 of Defense personally regarding any determination made
2 in accordance with this section.

3 Section 314

4 (a) Unless otherwise agreed, the Government of the
5 United States shall not, in the Republic of the Marshall
6 Islands:

7 (1) test by detonation or dispose of any nuclear
8 weapon, nor test, dispose of, or discharge any toxic
9 chemical or biological weapon; or

10 (2) test, dispose of, or discharge any other ra-
11 dioactive, toxic chemical or biological materials in an
12 amount or manner that would be hazardous to pub-
13 lic health or safety.

14 (b) Unless otherwise agreed, other than for transit
15 or overflight purposes or during time of a national emer-
16 gency declared by the President of the United States, a
17 state of war declared by the Congress of the United States
18 or as necessary to defend against an actual or impending
19 armed attack on the United States, the Republic of the
20 Marshall Islands or the Federated States of Micronesia,
21 the Government of the United States shall not store in
22 the Republic of the Marshall Islands or the Federated
23 States of Micronesia any toxic chemical weapon, nor any
24 radioactive materials nor any toxic chemical materials in-
25 tended for weapons use.

1 (c) Radioactive, toxic chemical, or biological materials
2 not intended for weapons use shall not be affected by sec-
3 tion 314(b).

4 (d) No material or substance referred to in this sec-
5 tion shall be stored in the Republic of the Marshall Islands
6 except in an amount and manner which would not be haz-
7 ardous to public health or safety. In determining what
8 shall be an amount or manner which would be hazardous
9 to public health or safety under this section, the Govern-
10 ment of the United States shall comply with any applicable
11 mutual agreement, international guidelines accepted by
12 the Government of the United States, and the laws of the
13 United States and their implementing regulations.

14 (e) Any exercise of the exemption authority set forth
15 in section 161(e) shall have no effect on the obligations
16 of the Government of the United States under this section
17 or on the application of this subsection.

18 (f) The provisions of this section shall apply in the
19 areas in which the Government of the Republic of the Mar-
20 shall Islands exercises jurisdiction over the living resources
21 of the seabed, subsoil or water column adjacent to its
22 coasts.

23 Section 315

24 The Government of the United States may invite
25 members of the armed forces of other countries to use

1 military areas and facilities in the Republic of the Mar-
2 shall Islands, in conjunction with and under the control
3 of United States Armed Forces. Use by units of the armed
4 forces of other countries of such military areas and facili-
5 ties, other than for transit and overflight purposes, shall
6 be subject to consultation with and, in the case of major
7 units, approval of the Government of the Republic of the
8 Marshall Islands.

9 Section 316

10 The authority and responsibility of the Government
11 of the United States under this Title may not be trans-
12 ferred or otherwise assigned.

13 Article II

14 Defense Facilities and Operating Rights

15 Section 321

16 (a) Specific arrangements for the establishment and
17 use by the Government of the United States of military
18 areas and facilities in the Republic of the Marshall Islands
19 are set forth in separate agreements, which shall remain
20 in effect in accordance with the terms of such agreements.

21 (b) If, in the exercise of its authority and responsi-
22 bility under this Title, the Government of the United
23 States requires the use of areas within the Republic of
24 the Marshall Islands in addition to those for which specific
25 arrangements are concluded pursuant to section 321(a),

1 it may request the Government of the Republic of the Mar-
2 shall Islands to satisfy those requirements through leases
3 or other arrangements. The Government of the Republic
4 of the Marshall Islands shall sympathetically consider any
5 such request and shall establish suitable procedures to dis-
6 cuss it with and provide a prompt response to the Govern-
7 ment of the United States.

8 (c) The Government of the United States recognizes
9 and respects the scarcity and special importance of land
10 in the Republic of the Marshall Islands. In making any
11 requests pursuant to section 321(b), the Government of
12 the United States shall follow the policy of requesting the
13 minimum area necessary to accomplish the required secu-
14 rity and defense purpose, of requesting only the minimum
15 interest in real property necessary to support such pur-
16 pose, and of requesting first to satisfy its requirement
17 through public real property, where available, rather than
18 through private real property.

19 Section 322

20 The Government of the United States shall provide
21 and maintain fixed and floating aids to navigation in the
22 Republic of the Marshall Islands at least to the extent nec-
23 essary for the exercise of its authority and responsibility
24 under this Title.

25 Section 323

1 The military operating rights of the Government of
2 the United States and the legal status and contractual ar-
3 rangements of the United States Armed Forces, their
4 members, and associated civilians, while present in the Re-
5 public of the Marshall Islands are set forth in separate
6 agreements, which shall remain in effect in accordance
7 with the terms of such agreements.

8 Article III

9 Defense Treaties and International Security Agreements
10 Section 331

11 Subject to the terms of this Compact, as amended,
12 and its related agreements, the Government of the United
13 States, exclusively, has assumed and enjoys, as to the Re-
14 public of the Marshall Islands, all obligations, responsibil-
15 ities, rights and benefits of:

16 (a) Any defense treaty or other international se-
17 curity agreement applied by the Government of the
18 United States as Administering Authority of the
19 Trust Territory of the Pacific Islands as of October
20 20, 1986.

21 (b) Any defense treaty or other international se-
22 curity agreement to which the Government of the
23 United States is or may become a party which it de-
24 termines to be applicable in the Republic of the Mar-
25 shall Islands. Such a determination by the Govern-

1 ment of the United States shall be preceded by ap-
2 propriate consultation with the Government of the
3 Republic of the Marshall Islands.

4 Article IV

5 Service in Armed Forces of the United States

6 Section 341

7 Any person entitled to the privileges set forth in Sec-
8 tion 141 (with the exception of any person described in
9 section 141(a)(5) who is not a citizen of the Republic of
10 the Marshall Islands) shall be eligible to volunteer for serv-
11 ice in the Armed Forces of the United States, but shall
12 not be subject to involuntary induction into military serv-
13 ice of the United States as long as such person has resided
14 in the United States for a period of less than one year,
15 provided that no time shall count towards this one year
16 while a person admitted to the United States under the
17 Compact, or the Compact, as amended, is engaged in full-
18 time study in the United States. Any person described in
19 section 141(a)(5) who is not a citizen of the Republic of
20 the Marshall Islands shall be subject to United States laws
21 relating to selective service.

22 Section 342

23 The Government of the United States shall have en-
24 rolled, at any one time, at least one qualified student from
25 the Republic of the Marshall Islands, as may be nominated

1 by the Government of the Republic of the Marshall Is-
2 lands, in each of:

3 (a) The United States Coast Guard Academy
4 pursuant to 14 U.S.C. 195.

5 (b) The United States Merchant Marine Acad-
6 emy pursuant to 46 U.S.C. 1295(b)(6), provided
7 that the provisions of 46 U.S.C. 1295b(b)(6)(C)
8 shall not apply to the enrollment of students pursu-
9 ant to section 342(b) of this Compact, as amended.

10 Article V

11 General Provisions

12 Section 351

13 (a) The Government of the United States and the
14 Government of the Republic of the Marshall Islands shall
15 continue to maintain a Joint Committee empowered to
16 consider disputes arising under the implementation of this
17 Title and its related agreements.

18 (b) The membership of the Joint Committee shall
19 comprise selected senior officials of the two Governments.
20 The senior United States military commander in the Pa-
21 cific area shall be the senior United States member of the
22 Joint Committee. For the meetings of the Joint Com-
23 mittee, each of the two Governments may designate addi-
24 tional or alternate representatives as appropriate for the
25 subject matter under consideration.

1 (c) Unless otherwise mutually agreed, the Joint Com-
2 mittee shall meet annually at a time and place to be des-
3 ignated, after appropriate consultation, by the Govern-
4 ment of the United States. The Joint Committee also shall
5 meet promptly upon request of either of its members. The
6 Joint Committee shall follow such procedures, including
7 the establishment of functional subcommittees, as the
8 members may from time to time agree. Upon notification
9 by the Government of the United States, the Joint Com-
10 mittee of the United States and the Republic of the Mar-
11 shall Islands shall meet promptly in a combined session
12 with the Joint Committee established and maintained by
13 the Government of the United States and the Government
14 of the Federated States of Micronesia to consider matters
15 within the jurisdiction of the two Joint Committees.

16 (d) Unresolved issues in the Joint Committee shall
17 be referred to the Governments for resolution, and the
18 Government of the Republic of the Marshall Islands shall
19 be afforded, on an expeditious basis, an opportunity to
20 raise its concerns with the United States Secretary of De-
21 fense personally regarding any unresolved issue which
22 threatens its continued association with the Government
23 of the United States.

24 Section 352

1 In the exercise of its authority and responsibility
2 under Title Three, the Government of the United States
3 shall accord due respect to the authority and responsibility
4 of the Government of the Republic of the Marshall Islands
5 under Titles One, Two and Four and to the responsibility
6 of the Government of the Republic of the Marshall Islands
7 to assure the well-being of its people.

8 Section 353

9 (a) The Government of the United States shall not
10 include the Government of the Republic of the Marshall
11 Islands as a named party to a formal declaration of war,
12 without that Government's consent.

13 (b) Absent such consent, this Compact, as amended,
14 is without prejudice, on the ground of belligerence or the
15 existence of a state of war, to any claims for damages
16 which are advanced by the citizens, nationals or Govern-
17 ment of the Republic of the Marshall Islands, which arise
18 out of armed conflict subsequent to October 21, 1986, and
19 which are:

20 **[(5)]** petitions to the Government of the
21 United States for redress; or

22 **[(6)]** claims in any manner against the govern-
23 ment, citizens, nationals or entities of any third
24 country.

1 (c) Petitions under section 353(b)(1) shall be treated
2 as if they were made by citizens of the United States.

3 Section 354

4 (a) The Government of the United States and the
5 Government of the Republic of the Marshall Islands are
6 jointly committed to continue their security and defense
7 relations, as set forth in this Title. Accordingly, it is the
8 intention of the two countries that the provisions of this
9 Title shall remain binding as long as this Compact, as
10 amended, remains in effect, and thereafter as mutually
11 agreed, unless earlier terminated by mutual agreement
12 pursuant to section 441, or amended pursuant to Article
13 III of Title Four. If at any time the Government of the
14 United States, or the Government of the Republic of the
15 Marshall Islands, acting unilaterally, terminates this Title,
16 such unilateral termination shall be considered to be ter-
17 mination of the entire Compact, as amended, in which case
18 the provisions of section 442 and 452 (in the case of ter-
19 mination by the Government of the United States) or sec-
20 tions 443 and 453 (in the case of termination by the Gov-
21 ernment of the Republic of the Marshall Islands), with the
22 exception of paragraph (3) of subsection (a) of section 452
23 or paragraph (3) of subsection (a) of section 453, as the
24 case may be, shall apply.

1 (b) The Government of the United States recognizes,
2 in view of the special relationship between the Government
3 of the United States and the Government of the Republic
4 of the Marshall Islands, and in view of the existence of
5 the separate agreement regarding mutual security con-
6 cluded with the Government of the Republic of the Mar-
7 shall Islands pursuant to sections 321 and 323, that, even
8 if this Title should terminate, any attack on the Republic
9 of the Marshall Islands during the period in which such
10 separate agreement is in effect, would constitute a threat
11 to the peace and security of the entire region and a danger
12 to the United States. In the event of such an attack, the
13 Government of the United States would take action to
14 meet the danger to the United States and to the Republic
15 of the Marshall Islands in accordance with its constitu-
16 tional processes.

17 (c) As reflected in Article 21(1)(b) of the Trust Fund
18 Agreement, the Government of the United States and the
19 Government of the Republic of the Marshall Islands fur-
20 ther recognize, in view of the special relationship between
21 their countries, that even if this Title should terminate,
22 the Government of Republic of the Marshall Islands shall
23 refrain from actions which the Government of the United
24 States determines, after appropriate consultation with
25 that Government, to be incompatible with its authority

1 and responsibility for security and defense matters in or
2 relating to the Republic of the Marshall Islands or the
3 Federated States of Micronesia.

4 TITLE FOUR

5 GENERAL PROVISIONS

6 Article I

7 Approval and Effective Date

8 Section 411

9 Pursuant to section 432 of the Compact and subject
10 to subsection (e) of section 461 of the Compact, as amend-
11 ed, the Compact, as amended, shall come into effect upon
12 mutual agreement between the Government of the United
13 States and the Government of the Republic of the Mar-
14 shall Islands subsequent to completion of the following:

15 (a) Approval by the Government of the Repub-
16 lic of the Marshall Islands in accordance with its
17 constitutional processes.

18 (b) Approval by the Government of the United
19 States in accordance with its constitutional proc-
20 esses.

21 Article II

22 Conference and Dispute Resolution

23 Section 421

24 The Government of the United States shall confer
25 promptly at the request of the Government of the Republic

1 of the Marshall Islands and that Government shall confer
2 promptly at the request of the Government of the United
3 States on matters relating to the provisions of this Com-
4 pact, as amended, or of its related agreements.

5 Section 422

6 In the event the Government of the United States or
7 the Government of the Republic of the Marshall Islands,
8 after conferring pursuant to section 421, determines that
9 there is a dispute and gives written notice thereof, the two
10 Governments shall make a good faith effort to resolve the
11 dispute between themselves.

12 Section 423

13 If a dispute between the Government of the United
14 States and the Government of the Republic of the Mar-
15 shall Islands cannot be resolved within 90 days of written
16 notification in the manner provided in section 422, either
17 party to the dispute may refer it to arbitration in accord-
18 ance with section 424.

19 Section 424

20 Should a dispute be referred to arbitration as pro-
21 vided for in section 423, an Arbitration Board shall be
22 established for the purpose of hearing the dispute and ren-
23 dering a decision which shall be binding upon the two par-
24 ties to the dispute unless the two parties mutually agree

1 that the decision shall be advisory. Arbitration shall occur
2 according to the following terms:

3 (a) An Arbitration Board shall consist of a
4 Chairman and two other members, each of whom
5 shall be a citizen of a party to the dispute. Each of
6 the two Governments that is a party to the dispute
7 shall appoint one member to the Arbitration Board.
8 If either party to the dispute does not fulfill the ap-
9 pointment requirements of this section within 30
10 days of referral of the dispute to arbitration pursu-
11 ant to section 423, its member on the Arbitration
12 Board shall be selected from its own standing list by
13 the other party to the dispute. Each Government
14 shall maintain a standing list of 10 candidates. The
15 parties to the dispute shall jointly appoint a Chair-
16 man within 15 days after selection of the other
17 members of the Arbitration Board. Failing agree-
18 ment on a Chairman, the Chairman shall be chosen
19 by lot from the standing lists of the parties to the
20 dispute within 5 days after such failure.

21 (b) Unless otherwise provided in this Compact,
22 as amended, or its related agreements, the Arbitra-
23 tion Board shall have jurisdiction to hear and render
24 its final determination on all disputes arising exclu-
25 sively under Articles I, II, III, IV and V of Title

1 One, Title Two, Title Four, and their related agree-
2 ments.

3 (c) Each member of the Arbitration Board shall
4 have one vote. Each decision of the Arbitration
5 Board shall be reached by majority vote.

6 (d) In determining any legal issue, the Arbitra-
7 tion Board may have reference to international law
8 and, in such reference, shall apply as guidelines the
9 provisions set forth in Article 38 of the Statute of
10 the International Court of Justice.

11 (e) The Arbitration Board shall adopt such
12 rules for its proceedings as it may deem appropriate
13 and necessary, but such rules shall not contravene
14 the provisions of this Compact, as amended. Unless
15 the parties provide otherwise by mutual agreement,
16 the Arbitration Board shall endeavor to render its
17 decision within 30 days after the conclusion of argu-
18 ments. The Arbitration Board shall make findings of
19 fact and conclusions of law and its members may
20 issue dissenting or individual opinions. Except as
21 may be otherwise decided by the Arbitration Board,
22 one-half of all costs of the arbitration shall be borne
23 by the Government of the United States and the re-
24 mainder shall be borne by the Government of the
25 Republic of the Marshall Islands.

1 Article III

2 Amendment

3 Section 431

4 The provisions of this Compact, as amended, may be
5 further amended by mutual agreement of the Government
6 of the United States and the Government of the Republic
7 of the Marshall Islands, in accordance with their respec-
8 tive constitutional processes.

9 Article IV

10 Termination

11 Section 441

12 This Compact, as amended, may be terminated by
13 mutual agreement of the Government of the Republic of
14 the Marshall Islands and the Government of the United
15 States, in accordance with their respective constitutional
16 processes. Such mutual termination of this Compact, as
17 amended, shall be without prejudice to the continued ap-
18 plication of section 451 of this Compact, as amended, and
19 the provisions of the Compact, as amended, set forth
20 therein.

21 Section 442

22 Subject to section 452, this Compact, as amended,
23 may be terminated by the Government of the United
24 States in accordance with its constitutional processes.
25 Such termination shall be effective on the date specified

1 in the notice of termination by the Government of the
2 United States but not earlier than six months following
3 delivery of such notice. The time specified in the notice
4 of termination may be extended. Such termination of this
5 Compact, as amended, shall be without prejudice to the
6 continued application of section 452 of this Compact, as
7 amended, and the provisions of the Compact, as amended,
8 set forth therein.

9 Section 443

10 This Compact, as amended, shall be terminated by
11 the Government of the Republic of the Marshall Islands,
12 pursuant to its constitutional processes, subject to section
13 453 if the people represented by that Government vote in
14 a plebiscite to terminate the Compact. The Government
15 of the Republic of the Marshall Islands shall notify the
16 Government of the United States of its intention to call
17 such a plebiscite, which shall take place not earlier than
18 three months after delivery of such notice. The plebiscite
19 shall be administered by the Government of the Republic
20 of the Marshall Islands in accordance with its constitu-
21 tional and legislative processes, but the Government of the
22 United States may send its own observers and invite ob-
23 servers from a mutually agreed party. If a majority of the
24 valid ballots cast in the plebiscite favors termination, the
25 Government of the Republic of the Marshall Islands shall,

1 upon certification of the results of the plebiscite, give no-
2 tice of termination to the Government of the United
3 States, such termination to be effective on the date speci-
4 fied in such notice but not earlier than three months fol-
5 lowing the date of delivery of such notice. The time speci-
6 fied in the notice of termination may be extended.

7 Article V

8 Survivability

9 Section 451

10 (a) Should termination occur pursuant to section
11 441, economic and other assistance by the Government of
12 the United States shall continue only if and as mutually
13 agreed by the Governments of the United States and the
14 Republic of the Marshall Islands, and in accordance with
15 the countries' respective constitutional processes.

16 (b) In view of the special relationship of the United
17 States and the Republic of the Marshall Islands, as re-
18 flected in subsections (b) and (c) of section 354 of this
19 Compact, as amended, and the separate agreement en-
20 tered into consistent with those subsections, if termination
21 occurs pursuant to section 441 prior to the twentieth anni-
22 versary of the effective date of this Compact, as amended,
23 the United States shall continue to make contributions to
24 the Trust Fund described in section 216 of this Compact,
25 as amended.

1 (c) In view of the special relationship of the United
2 States and the Republic of the Marshall Islands described
3 in subsection (b) of this section, if termination occurs pur-
4 suant to section 441 following the twentieth anniversary
5 of the effective date of this Compact, as amended, the Re-
6 public of the Marshall Islands shall be entitled to receive
7 proceeds from the Trust Fund described in section 216
8 of this Compact, as amended, in the manner described in
9 those provisions and the Trust Fund Agreement.

10 Section 452

11 (a) Should termination occur pursuant to section 442
12 prior to the twentieth anniversary of the effective date of
13 this Compact, as amended, the following provisions of this
14 amended Compact shall remain in full force and effect
15 until the twentieth anniversary of the effective date of this
16 Compact, as amended, and thereafter as mutually agreed:

17 (1) Article VI and sections 172, 173, 176 and
18 177 of Title One;

19 (2) Article One and sections 232 and 234 of
20 Title Two;

21 (3) Title Three; and

22 (4) Articles II, III, V and VI of Title Four.

23 (b) Should termination occur pursuant to section 442
24 before the twentieth anniversary of the effective date of
25 this Compact, as amended:

1 (1) Except as provided in paragraph (2) of this
2 subsection and subsection (c) of this section, eco-
3 nomic and other assistance by the United States
4 shall continue only if and as mutually agreed by the
5 Governments of the United States and the Republic
6 of the Marshall Islands.

7 (2) In view of the special relationship of the
8 United States and the Republic of the Marshall Is-
9 lands, as reflected in subsections (b) and (c) of sec-
10 tion 354 of this Compact, as amended, and the sepa-
11 rate agreement regarding mutual security, and the
12 Trust Fund Agreement, the United States shall con-
13 tinue to make contributions to the Trust Fund de-
14 scribed in section 216 of this Compact, as amended,
15 in the manner described in the Trust Fund Agree-
16 ment.

17 (c) In view of the special relationship of the United
18 States and the Republic of the Marshall Islands, as re-
19 flected in subsections 354(b) and (c) of this Compact, as
20 amended, and the separate agreement regarding mutual
21 security, and the Trust Fund Agreement, if termination
22 occurs pursuant to section 442 following the twentieth an-
23 niversary of the effective date of this Compact, as amend-
24 ed, the Republic of the Marshall Islands shall continue to
25 be eligible to receive proceeds from the Trust Fund de-

1 scribed in section 216 of this Compact, as amended, in
2 the manner described in those provisions and the Trust
3 Fund Agreement.

4 Section 453

5 (a) Should termination occur pursuant to section 443
6 prior to the twentieth anniversary of the effective date of
7 this Compact, as amended, the following provisions of this
8 Compact, as amended, shall remain in full force and effect
9 until the twentieth anniversary of the effective date of this
10 Compact, as amended, and thereafter as mutually agreed:

11 (1) Article VI and sections 172, 173, 176 and
12 177 of Title One;

13 (2) Sections 232 and 234 of Title Two;

14 (3) Title Three; and

15 (4) Articles II, III, V and VI of Title Four.

16 (b) Upon receipt of notice of termination pursuant
17 to section 443, the Government of the United States and
18 the Government of the Republic of the Marshall Islands
19 shall promptly consult with regard to their future relation-
20 ship. Except as provided in subsections (c) and (d) of this
21 section, these consultations shall determine the level of
22 economic and other assistance, if any, which the Govern-
23 ment of the United States shall provide to the Government
24 of the Republic of the Marshall Islands for the period end-
25 ing on the twentieth anniversary of the effective date of

1 this Compact, as amended, and for any period thereafter,
2 if mutually agreed.

3 (c) In view of the special relationship of the United
4 States and the Republic of the Marshall Islands, as re-
5 flected in subsections 354(b) and (c) of this Compact, as
6 amended, and the separate agreement regarding mutual
7 security, and the Trust Fund Agreement, if termination
8 occurs pursuant to section 443 prior to the twentieth anni-
9 versary of the effective date of this Compact, as amended,
10 the United States shall continue to make contributions to
11 the Trust Fund described in section 216 of this Compact,
12 as amended.

13 (d) In view of the special relationship of the United
14 States and the Republic of the Marshall Islands, as re-
15 flected in subsections 354(b) and (c) of this Compact, as
16 amended, and the separate agreement regarding mutual
17 security, and the Trust Fund Agreement, if termination
18 occurs pursuant to section 443 following the twentieth an-
19 niversary of the effective date of this Compact, as amend-
20 ed, the Republic of the Marshall Islands shall continue to
21 be eligible to receive proceeds from the Trust Fund de-
22 scribed in section 216 of this Compact, as amended, in
23 the manner described in those provisions and the Trust
24 Fund Agreement.

25 Section 454

1 1979. This term does not include the area of Palau
2 or the Northern Mariana Islands.

3 (b) “Trusteeship Agreement” means the agree-
4 ment setting forth the terms of trusteeship for the
5 Trust Territory of the Pacific Islands, approved by
6 the Security Council of the United Nations April 2,
7 1947, and by the United States July 18, 1947, en-
8 tered into force July 18, 1947, 61 Stat. 3301,
9 T.I.A.S. 1665, 8 U.N.T.S. 189.

10 (c) “The Republic of the Marshall Islands” and
11 “the Federated States of Micronesia” are used in a
12 geographic sense and include the land and water
13 areas to the outer limits of the territorial sea and
14 the air space above such areas as now or hereafter
15 recognized by the Government of the United States.

16 (d) “Compact” means the Compact of Free As-
17 sociation Between the United States and the Fed-
18 erated States of Micronesia and the Marshall Is-
19 lands, that was approved by the United States Con-
20 gress in section 201 of Public Law 99-239 (Jan. 14,
21 1986) and went into effect with respect to the Re-
22 public of the Marshall Islands on October 21, 1986.

23 (e) “Compact, as amended” means the Com-
24 pact of Free Association Between the United States
25 and the Republic of the Marshall Islands, as amend-

1 ed. The effective date of the Compact, as amended,
2 shall be on a date to be determined by the President
3 of the United States, and agreed to by the Govern-
4 ment of the Republic of the Marshall Islands, fol-
5 lowing formal approval of the Compact, as amended,
6 in accordance with section 411 of this Compact, as
7 amended.

8 (f) “Government of the Republic of the Mar-
9 shall Islands” means the Government established
10 and organized by the Constitution of the Republic of
11 the Marshall Islands including all the political sub-
12 divisions and entities comprising that Government.

13 (g) “Government of the Federated States of Mi-
14 cronnesia” means the Government established and or-
15 ganized by the Constitution of the Federated States
16 of Micronesia including all the political subdivisions
17 and entities comprising that Government.

18 (h) The following terms shall be defined con-
19 sistent with the 1978 Edition of the Radio Regula-
20 tions of the International Telecommunications as fol-
21 lows:

22 (1) “Radiocommunication” means tele-
23 communication by means of radio waves.

24 (2) “Station” means one or more transmit-
25 ters or receivers or a combination of transmit-

1 ters and receivers, including the accessory
2 equipment, necessary at one location for car-
3 rying on a radiocommunication service, or the
4 radio astronomy service.

5 (3) “Broadcasting Service” means a
6 radiocommunication service in which the trans-
7 missions are intended for direct reception by
8 the general public. This service may include
9 sound transmissions, television transmissions or
10 other types of transmission.

11 (4) “Broadcasting Station” means a sta-
12 tion in the broadcasting service.

13 (5) “Assignment (of a radio frequency or
14 radio frequency channel)” means an authoriza-
15 tion given by an administration for a radio sta-
16 tion to use a radio frequency or radio frequency
17 channel under specified conditions.

18 (6) “Telecommunication” means any
19 transmission, emission or reception of signs,
20 signals, writings, images and sounds or intel-
21 ligence of any nature by wire, radio, optical or
22 other electromagnetic systems.

23 (i) “Military Areas and Facilities” means those
24 areas and facilities in the Republic of the Marshall
25 Islands reserved or acquired by the Government of

1 the Republic of the Marshall Islands for use by the
2 Government of the United States, as set forth in the
3 separate agreements referred to in section 321.

4 (j) “Tariff Schedules of the United States”
5 means the Tariff Schedules of the United States as
6 amended from time to time and as promulgated pur-
7 suant to United States law and includes the Tariff
8 Schedules of the United States Annotated (TSUSA),
9 as amended.

10 (k) “Vienna Convention on Diplomatic Rela-
11 tions” means the Vienna Convention on Diplomatic
12 Relations, done April 18, 1961, 23 U.S.T. 3227,
13 T.I.A.S. 7502, 500 U.N.T.S. 95.

14 Section 462

15 (a) The Government of the United States and the
16 Government of the Republic of the Marshall Islands pre-
17 viously have concluded agreements, which shall remain in
18 effect and shall survive in accordance with their terms,
19 as follows:

20 (1) Agreement Between the Government of the
21 United States and the Government of the Marshall
22 Islands for the Implementation of Section 177 of the
23 Compact of Free Association;

24 (2) Agreement Between the Government of the
25 United States and the Government of the Marshall

1 Islands by Persons Displaced as a Result of the
2 United States Nuclear Testing Program in the Mar-
3 shall Islands;

4 (3) Agreement Between the Government of the
5 United States and the Government of the Marshall
6 Islands Regarding the Resettlement of Enjebi Is-
7 land;

8 (4) Agreement Concluded Pursuant to Section
9 234 of the Compact; and

10 (5) Agreement Between the Government of the
11 United States and the Government of the Marshall
12 Islands Regarding Mutual Security Concluded Pur-
13 suant to Sections 321 and 323 of the Compact of
14 Free Association.

15 (b) The Government of the United States and the
16 Government of the Republic of the Marshall Islands shall
17 conclude prior to the date of submission of this Compact
18 to the legislatures of the two countries, the following re-
19 lated agreements which shall come into effect on the effec-
20 tive date of this Compact, as amended, and shall survive
21 in accordance with their terms, as follows:

22 (1) Federal Programs and Services Agreement
23 Between the Government of the United States of
24 America and the Government of the Republic of the
25 Marshall Islands Concluded Pursuant to Article III

1 of Title One, Article II of Title Two (including Sec-
2 tion 222), and Section 231 of the Compact of Free
3 Association, as Amended, which include:

4 (i) Postal Services and Related Programs;

5 (ii) Weather Services and Related Pro-
6 grams;

7 (iii) Civil Aviation Safety Service and Re-
8 lated Programs;

9 (iv) Civil Aviation Economic Services and
10 Related Programs;

11 (v) United States Disaster Preparedness
12 and Response Services and Related Programs;
13 and

14 (vi) Telecommunications Services and Re-
15 lated Programs.

16 (2) Agreement Between the Government of the
17 United States of America and the Government of
18 the Republic of the Marshall Islands on Extradition,
19 Mutual Assistance in Law Enforcement Matters and
20 Penal Sanctions Concluded Pursuant to Section 175
21 (a) of the Compact of Free Association, as Amend-
22 ed;

23 (3) Agreement Between the Government of the
24 United States of America and the Government of
25 the Republic of the Marshall Islands on Labor Re-

1 cruitment Concluded Pursuant to Section 175 (b) of
2 the Compact of Free Association, as Amended;

3 (4) Agreement Concerning Procedures for the
4 Implementation of United States Economic Assist-
5 ance Provided in the Compact, as Amended, of Free
6 Association Between the Government of the United
7 States of America and the Government of the Re-
8 public of the Marshall Islands;

9 (5) Agreement Between the Government of the
10 United States of America and the Government of
11 the Republic of the Marshall Islands Implementing
12 Section 216 and Section 217 of the Compact, as
13 Amended, Regarding a Trust Fund;

14 (6) Agreement Regarding the Military Use and
15 Operating Rights of the Government of the United
16 States in the Republic of the Marshall Islands Con-
17 cluded Pursuant to Sections 321 and 323 of the
18 Compact of Free Association, as Amended; and,

19 (7) Status of Forces Agreement Between the
20 Government of the United States of America and
21 the Government of the Republic of the Marshall Is-
22 lands Concluded Pursuant to Section 323 of the
23 Compact of Free Association, as Amended.

24 Section 463

1 (a) Except as set forth in subsection (b) of this sec-
2 tion, any reference in this Compact, as amended, to a pro-
3 vision of the United States Code or the Statutes at Large
4 of the United States constitutes the incorporation of the
5 language of such provision into this Compact, as amended,
6 as such provision was in force on the effective date of this
7 Compact, as amended.

8 (b) Any reference in Article IV and VI of Title One,
9 and Sections 174, 175, 178 and 342 to a provision of the
10 United States Code or the Statutes at Large of the United
11 States or to the Privacy Act, the Freedom of Information
12 Act, the Administrative Procedure Act or the Immigration
13 and Nationality Act constitutes the incorporation of the
14 language of such provision into this Compact, as amended,
15 as such provision was in force on the effective date of this
16 Compact, as amended, or as it may be amended thereafter
17 on a non-discriminatory basis according to the constitu-
18 tional processes of the United States.

19 Article VII

20 Concluding Provisions

21 Section 471

22 Both the Government of the United States and the
23 Government of the Republic of the Marshall Islands shall
24 take all necessary steps, of a general or particular char-
25 acter, to ensure, no later than the entry into force date

1 of this Compact, as amended, the conformity of its laws,
2 regulations and administrative procedures with the provi-
3 sions of this Compact, as amended, or, in the case of sub-
4 section (d) of section 141, as soon as reasonably possible
5 thereafter.

6 Section 472

7 This Compact, as amended, may be accepted, by sig-
8 nature or otherwise, by the Government of the United
9 States and the Government of the Republic of the Mar-
10 shall Islands.

11 IN WITNESS WHEREOF, the undersigned, duly
12 authorized, have signed this Compact of Free Association,
13 as amended, which shall enter into force upon the ex-
14 change of diplomatic notes by which the Government of
15 the United States of America and the Government of the
16 Republic of the Marshall Islands inform each other about
17 the fulfillment of their respective requirements for entry
18 into force.

19 DONE at Majuro, Republic of the Marshall Islands,
20 in duplicate, this thirtieth (30) day of April, 2003, each
21 text being equally authentic.

Mr. LEACH. Are there any amendments to the substitute?

The question now then occur on the amendment in the nature of a substitute, as amended.

All those in favor, signify by saying aye.

Opposed, no.

The ayes have it.

The Chair will now entertain a motion the resolution be reported favorably to the Full Committee, as amended by the amendment in the nature of a substitute.

Mr. BEREUTER. Mr. Chairman, I so move.

Mr. LEACH. There are any objections? The vote call comes on the motion.

All those in favor, signify by saying aye.

Opposed, no.

The motion carries.

Without objection, the staff is directed to make any technical and conforming amendments.

There being no objection, the compacts are moved to the Full Committee and I would like to thank everybody for their participation and I am very appreciative. The Committee is adjourned.

[Whereupon, at 10:25 a.m., the Subcommittee was adjourned.]

